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ABSTRACT

This study was commissioned by the State of Iowa to identify the current status and applicability of performance-based teacher compensation plans. After a review of the literature to establish the current status of merit pay and to identify districts throughout the United States that are presently using performance-based compensation plans, a documentation instrument was developed to analyze types of plans, methods of financing the plans, evaluation systems, purposes of merit pay, and planning for performance-based compensation plans. As a product of analysis of the plans, a database was developed using the following essential elements as checkpoints: demographics, planning, organizational options, participation, evaluators, evaluation process, financial and nonfinancial incentive plans, financial resources, plan monitoring and revisions, and unique characteristics. Analysis of this database and of the unique characteristics of various plans resulted in identification of 10 exemplary districts that were studied further by telephone interview. Results of these indepth studies are included in the "findings" section of the report. A bibliography is included. (TE)

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# *Performance-Based Compensation Models:*

## *STATUS AND POTENTIAL FOR IMPLEMENTATION*

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# *Performance-Based Compensation Models:*

## *STATUS AND POTENTIAL FOR IMPLEMENTATION*

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## *FOREWARD*

This study marks a milestone in pursuit of educational excellence in Iowa. First released in July of 1986, Performance-Based Compensation Models: Status and Potential for Implementation offers an overview of current performance-based compensation programs, and opens a window to future approaches to this educational issue.The study is notable in that it is a result of cooperative efforts of the Iowa Association of School Boards, Educational Administrators of Iowa, Iowa Association of School Administrators and the Iowa State Education Association.

Additional support was provided by the Research Institute for Studies in Education, in the College of Education at Iowa State University, Ames, Iowa.A special note must also be made of the efforts of Dr. Norman L. Boyles and Denise Vrchota in producing this report.

*T.E. Davidson, Executive Director*
*Iowa Association of School Boards*

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# *I. INTRODUCTION*

Not since Dwight D . Eisenhower emphasized the need to improve the compensation of teachers has so much attention been paid to what teachers are paid. Presently, attention is also being placed on the manner in which teacher compensation is determined. Report after report has indicated the need to compensate teachers at a higher level. These reports have also indicated a need to have teachers paid on a basis which would more readily reflect the specific teacher's proficiency and efficiency. An ill-defined link has been assumed to exist between better pay and better instruction. Also assumed by these reports is that appropriate evaluation systems can and will be implemented by trained evaluators.

## *Origin of the Study*

With these emphases on performance-based compensation being portrayed to the public as a simple matter of implementation, many school districts have wittingly and unwittingly implemented new performance-based compensation plans.

So much publicity and emphasis has been placed on paying teachers and administrators on a basis of performance, that much of the education community has spent innumerable hours debating the advantages of merit pay. Involved in those deliberations are the education associations of Iowa. A result of those discussions is this study. The representatives of the four Iowa education associations meet on occasion and discuss issues of common concern. One of those concerns is performance-based compensation. This study was commissioned by the Educational Administrators of Iowa, Iowa Association of School Administrators, Iowa Association of School Boards and Iowa State Education Association.

## *Purpose of the Study*

All elements of the education community want to pursue any process or procedure which holds significant promise for improvement of the education endeavor. But which processes and procedures hold that elusive promise? Illuminating the possibilities in performance-based compensation plans was the purpose of this study. What has been the success of other plans? How does a district go about establishing a merit pay process? These are but two examples of the type of question of particular interest to this study.

Stated in another fashion, the purpose of the study was to identify the current status and applicability of performance-based compensation plans.

## *Structure of the Study*

After a review of the literature to establish the current status of merit pay and to identify districts presently using performance-based compensation plans, a guide was created to help in the analysis of each plan. After extensive review of these models, a few districts were identified for further study.

The extended study of those districts' plans along with the literature review and the analysis of all the districts produced conclusions concerning the potential for implementation of a performance-based compensation process in Iowa schools.

Essentially this is the procedure which was followed in executing this endeavor. A more detailed description of the method used is included in part two.

# *II. PROCEDURES*

The following paragraphs detail the methods employed to develop the information and conclusions drawn in this study.

## *Literature Review*

A review of the current literature was conducted to establish two basic elements. The first goal was to establish the current status of merit pay in the schools of the country. The second goal was to establish the essential elements of planning, structure, and implementation which any plan should consider for incorporation.

## *Exemplary Plans*

As a product of the literature review, certain school districts were identified as having significant performance-based compensation models. Note was made of these districts. In addition, other districts were identified through state departments of education. All of these districts were assumed by virtue of their identification to have a noteworthy compensation model.

## *Essential Elements*

Utilizing the literature and other sources, such as plan descriptions, elements identified as integral to the development of a performance-based compensation model were identified as essential elements. These elements were assembled into a documentation instrument which was used to analyze all plans obtained.

## *Analyzing the Plans*

With the documentation form as a guide, each of the acquired plans was analyzed with regard to the number of essential elements apparent in the plan. These elements were indicated on the documentation sheets and filed with the plan.

## *Codifying the Plans*

As a product of the analysis of the plans, a microcomputer data base was developed using the essential elements as the check points. The results of the analysis of the database produced 16 districts which were identified as incorporating the largest number of essential elements and, therefore, were potential exemplary districts to study in more depth.

## *Ten Districts*

In addition to the 16 plans identified through the database analysis, all other plans were reviewed for unique characteristics which might make that plan a candidate for further study. The results of this analysis produced ten districts which were studied further by means of a telephone interview of persons in the district who were familiar with the planning and/or operation of the performance-based compensation program. The descriptions of these ten plans and the results of the interviews are included in the "Findings" section of this report.

### *Telephone Review*

With the identification of the ten districts which would require further study, an interview guide was developed. In each case at least one person was interviewed from each of the ten districts. The guide was used as much as possible to obtain information not previously garnered.

### *Consolidating the Information*

With a significant amount and variety of information obtained and developed, the next task was to synthesize the salient points for inclusion in the final report. The results of the sifting process is presented as the "Findings" section of this report. The findings are presented in four parts:

1. Literature highlights
2. Analysis of the plans
3. Exemplary districts: selection and description
4. Exemplary districts: summary

# *III. REVIEW OF LITERATURE*

## *Current Status of Performance-Based Compensation Models*

Hailed as the "foremost proposal for achieving excellence in education," (Robinson, 1984); described as "the challenge of the decade . . ." (Cramer,1983b); denounced by the NEA as a bogus issue which obscures more significant areas in need of reform (as reported in Adkins, 1983); merit pay still continues to appeal to many as a way to offset perceived inadequacies of the single salary schedule by rewarding teachers for superior performance (Calhoun and Protheroe,1983).

Merit compensation programs (the term "merit" is generally applied to many types of plans in which educators are rewarded for doing superior, difficult, or more work) are viewed by many as the current proposal for achieving excellence in education. According to a 1983 Gallup Poll, 61 percent of those surveyed favored paying teachers according to the quality of their work; even more important, 58 percent of the respondents disclosed their willingness to pay additional taxes in order to raise the standards of education in this country (Gallup, 1983, as reported in Calhoun and Protheroe).

Despite the current expressed support and interest in the issue of merit pay, teacher compensation is not a recent development.

Sources which discuss the historical development of merit pay generally cite the following points:

Newton, Massachusetts, is credited as instituting the first formal merit plan in 1908. While other plans followed, Newcombe (1983) writes that during World War I, a number of these plans were discarded because the average pay in those systems not using a merit plan was higher than in those which did offer merit compensation.

However, other authors believe that during the 1920s merit pay became the preferred system for teacher compensation (Adkins, Cramer) because it allowed school systems to pay men more than women and white teachers more than other teachers.

The 1930s saw merit plans peak with a return to single salary schedules.

With the launching of Sputnik reviving interest in the merit issue (Murnane and Cohen, 1985), several states began to consider merit plans, resulting in about ten percent of the districts in the country actually instituting some type of compensation in the following decade (Newcombe).

The 1970s was a decade of ups and downs for merit plans, for while a 1970 report indicated that ten states had used some type of merit plan for the last 25 years (Newcombe), a 1978 study revealed that the majority of districts which had dropped their plans indicated that the plan had lasted less than five years (Powell, 1979, as reported in Murnane and Cohen).

Yet, another 1978 report by the Educational Research Service (ERS) found 115 school districts which were currently using some type of teacher incentive plan (as reported in Robinson, 1984).

A 1983 update of the 1978 ERS report found that only 54 districts had in operation or expected to have in operation, a teacher incentive plan (Calhoun and Protheroe). As Murnane and Cohen comment, the interest endures, but the attempts to use merit pay do not.

Currently, a renewed flurry of concern and interest in teacher compensation plans is evident. This renewed concern is part of a series of broader demands for more effective schools, greater student learning, and cost-effective improvements (Robinson). Task force reports, federal officials, governors, and state legislators are insisting that increased revenues for education be tied, at least in part, to some type of incentive pay for teachers (Robinson).

Undoubtedly this interest by the political sector has added impetus to the issue, resulting in the "Merit Pay Task Force Report" (prepared for the use of the Committee on Education and Labor, House of Representatives, 1983, as reported in Phi Delta Kappa, 1984) which adds caution to this new wave of interest by stating that any performance-based pay cannot be viewed in isolation:

> *"Those who view merit pay as some fast, inexpensive, painless method of solving the nation's education problems are not realistic. Merit pay is . . . neither inexpensive . . . nor easy to achieve . . . In some school districts performance-based pay will result in an improved educational product, and an ability to attract and keep high quality teachers; in other districts, for a variety of reasons, it may not work . . . the question the nation must face is not simply how to implement performance-based pay for educators but how we can lift the standards of instruction in the nation."*

The point in the preceding paragraph that merit pay cannot stand by itself should be well taken by any one investigating the compensation issue; also, as the paragraph suggests, performance-based pay and instructional standards interact with each other.

## *Elements Found in Successful Compensation Models*

The following report describes features of each area which must be considered in order to implement a performance-based program which may also be instrumental in improving standards of instruction.

In reviewing the literature of compensation plans, the user should realize that it is largely descriptive in nature. Some of the literature draws its conclusions from various analyses of compensation plans; the remainder is typically a series of accounts of specific plans by individuals who have been involved with a particular plan and are offering speculation on reasons for the workability of the plan with which they are associated.

## *Planning*

The initial planning stages are marked by the caveat that adequate time must be allowed for consideration of all aspects of the plan. Since it is generally felt that failures of merit pay plans may be the result of poorly designed programs, to design and implement the plan, to allow teacher participation in the overall design, to develop appropriate teacher evaluation procedures, to train personnel in plan procedures, are all aspects which must be considered in a complete and unhurried manner (Cramer, 1983; Calhoun and Protheroe, 1983; Hatry and Gruner, 1984; Van Loosen, 1983).

There also appears to be consistent agreement that to insure success, those who will be participants in the eventual program must be included in the planning, yet development must also be a joint effort of key figures within the school district and include teachers, administrators, and board members; some sources recommend going beyond school officials to parents and other community representatives (ISEA, 1969; Tennessee General Assembly, 1984; AASA, 1983; Adkins, 1983; Calhoun and Protheroe; Hatry and Gruner; Van Loosen).

After determining who will be involved in planning, general objectives of the plan must be established. Merit plans may fail because goals are too broad, goals are not tailored to individual or district needs, or because an adequate foundation has not been developed. The needs and limitations of the district must be considered, and specific goals must be established to aid in evaluation, relate individuals' performance to system wide goals, insure growth, increase competence, enhance communications, and increase motivation. (Geiger and Toscano,1980; Genck, 1983, Van Loosen).

A variety of orientation plans should be included to create a base of support. Obviously, participants should view the resulting system as valid and so orientation activities might be offered to increase trust between participants and their supervisors. It is also necessary to have board and management commitment and this may be facilitated by orientation programs. Ultimately, to insure adequate funding and support, the public

must not be overlooked, and it may be advantageous to include them in some informational or orientation event. This public relations aspect should not be ignored. (ISEA; Tennessee General Assembly; AASA; Cramer; Newcombe, 1983; Robinson, 1984; Van Loosen).

Finally, a phase-in procedure or pilot program is recommended by at least one source, and plans should be designed to be flexible and responsive, as well as administratively workable. Problem areas should be anticipated and strategies developed to deal with them (Cramer, Newcombe, Robinson, Van Loosen).

The view that problems caused by merit pay are actually caused by poorly designed and implemented programs (Van Loosen) is of relevance in a discussion of organization options.

### *Organizational Options*

The literature lists many caveats which must be considered in the process of choosing an organizational design for one's plan.

A plan should have a definite structure, but not so much that it becomes unwieldy (Van Loosen); on the other hand, a plan which is technically adequate for the situation in a specific school district is necessary (Genck). It should also be free of discrimination (O'Reilly, 1983).

Any plan should give primary attention to strengthening the current organization (Mitchell, 1983); it should be capable of holding a competent professional staff (AASA) by providing a reward system for those already in the system, raise the status of classroom teachers, and make the profession attractive to talented individuals (Moore, 1984).

While superior performance should be rewarded, the teaching skills of beginning and unsuccessful teachers should also be improved (Tennessee General Assembly).

Finally, individuals who are in the system when the plan is introduced should be given a reasonable period of time and adequate assistance to attain the desired competency before dismissal is imposed (AASA).

But while much attention is given the influence a plan should exert as far as the compensation recipient is concerned, the fact that student achievement should be improved and learning increased remains (Moore, Robinson).

In determining the structure of the program, there are several organizational options available. Multiple salary scales for different performance groups, salary increments based on different performance attributes, schedules which allow moving to the top in not more than one step per year, special plans for top teachers who have much experience are all options (Johnson, 1984).

In general, most plans are considered to be based on input factors or output factors. Plans based on input factors should include teacher performance in the classroom. Those plans based on output behaviors should largely emphasize measures of student achievement (Van Loosen). More specifically, the following plans are discussed in varying degrees of detail in the literature:

*Performance-by-objective plans* (PBO) require considerable participation by individual teachers in a highly professional manner (Hatry and Gruner). With a PBO plan, it is advised that teachers write their own performance plans or objectives early in the year with input from evaluators (Franz, 1977). A performance plan or objectives should emphasize the use of outcome-oriented targets rather than acceptance of minimal performance standards (Hatry and Gruner).

*Herzberg's Motivation-Hygiene Theory* is viewed as an appropriate foundation from which to develop and operate a compensation plan (Frase, Hetzel, and Grant, 1982).

Robinson discusses the *"Professional Competence Approach"* in which the purpose is to raise the status, prestige, and salaries of outstanding teachers and attract and retain quality in the profession. The Professional Competence Approach includes career ladders and master and mentor teacher plans.

Besides improving the status of classroom teachers and making the profession attractive to talented teachers, the *master teacher plan* can also provide a reward for those already in the system and improve classroom instruction and student achievement (Moore). However, the plan about which the most is written is the *career ladder.*

According to Rosenholtz and Smylie(as reported in Tennessee General Assembly), specific reasons which teachers give for leaving the profession are lack of opportunity for professional growth, inadequate preparation time, and lack of support and approval from administrators. Teaching is viewed as a stageless occupation with little substantial career or economic advancement to anticipate.

The career ladder, however, may provide a framework for professional development at several stages, allowing teachers to see themselves becoming skilled while providing a certain amount of flexibility. Thus, the career ladder may create a dynamic as opposed to static teaching experience (Kane and Chase, 1983).

The career ladder may also be advantageous because if salary increases and promotions are tied to levels of competence and teaching, incentives for teachers to become more competent in the classroom are greater. However, the career ladder goes beyond simply providing financial rewards to outstanding teachers. The expertise of those individuals who have attained the upper levels should be used to help less effective individuals. The assumption is that teacher training continues after the teacher enters the classroom. (Tennessee General Assembly)

Finally, career ladders must implement opportunities for skill development and master or talented teachers must be recognized and given career advancement opportunities. Stages of teaching must be developed which are based on years of service and levels of skill mastery (Tennessee General Assembly).

**Participation**

Although programs are designed for a variety of participants, there are some common threads which run through the literature. Whether participation should be elective or mandated is one issue.

In some instances, adoption of a plan in a district makes participation mandatory; one survey of school districts using administrator compensation plans allowed administrators to vote on acceptance of the plan. However, once the plan was accepted through the voting process, all administrators were required to participate (Geiger and Toscano).

A majority of the literature agrees that participation should be elective, available to all who wish to participate, and/or available to those who meet certain requirements (ISEA; Wisconsin, DPI, 1984: AASA; Bell, 1963; Hatry and Gruner; Temple, 1975; Van Loosen). One source suggests that in instances in which participation is elective, withdrawal should also be elective, through written notice (Bell).

Although recipients of compensation are individuals, the work group in which one works to receive compensation is open to other formations. Besides individuals, it is felt that a group incentive component should be included (Hatry and Gruner, Van Loosen). Another source believes that the school building should be the "contracting unit" and all in that unit should share risks involved in earning compensation (Temple).

Besides determining work formations in which compensation may be sought, individuals who are eligible to participate must also be determined. Are part-time teachers to be eligible? Will only those in active teaching assignments be eligible? These questions must be answered. (Van Loosen).

Participant rights and responsibilities range from an emphasis on the right to appeal any phase from the results of an individual observation to a compensation decision (ISEA; Wisconsin DPI; Bell; Christiansen, 1984; Van Loosen; Wynn, 1976). Responsibilities of participants may include maintaining currency of special procedures for eligibility and/or application, and participation in personal goal setting (Geiger and Toscano, Van Loosen).

In the literature there is an emphasis on fostering cooperation rather than competition by participants. Suggestions for creating such an environment range from the use of discretion in revealing participants' names to stressing cooperation among participants through the development of informal group relationships based on open communication and participation (ISEA, Bell, Genck, Mitchell, Van Loosen.)

### Evaluators

Although little appears to be available which discusses evaluators, what is available is consistent. Individuals who may be given evaluation responsibilities are not discussed nearly so often as their qualifications and characteristics. The literature concurs that evaluators must receive training in evaluation procedures. (ISEA, Tennessee General Assembly, Cramer, Calhoun and Protheroe, Van Loosen).

Interestingly, one source suggests that those receiving training should only record data, while others would actually make decisions based on the data (Bell). Besides emphasizing the training process, the literature also mentions that evaluation duties should not become a major burden on a limited number of administrators (individuals who typically observe and/or evaluate), but that adjustments should be made in other duties and commitments to allow evaluators to assume their compensation-related duties. (Cramer, Van Loosen).

Finally, the ISEA suggests that the ratio of evaluators to participants should ideally be limited to one evaluator to each ten participants with a definite limit placed at 20 participants per evaluator.

### Evaluation Process

The crux of the compensation program, the evaluation process, is an area in which some inconsistency in the literature occurs. For example, sources disagree on whether the same evaluation system should be used for all teachers with a more intensive evaluation used for compensation participants (Bell) or whether there should not be too close a link between the district's regular evaluation procedures and those used for merit pay (Van Loosen).

Whatever the approach to the evaluation process, it is generally agreed that the total procedure must be perceived as fair, objective, and comprehensive by participants (Calhoun and Protheroe, Genck, Hatry and Gruner). Criteria must be clear to all participants, and standards should be unambiguous (ISEA, Tennessee General Assembly, Franz, Hatry and Gruner, Van Loosen).

Yet one concern expressed is that the compensation process may stifle creativity because teachers will gear their activities strictly to meet the existing standards (Whalen, 1983). Temple, on the other hand, believes that some degree of risk should be built in to insure complete commitment.

To move toward an equitably perceived evaluation system, one must involve teachers, administrators, and board members in setting up evaluation criteria (Franz). Objectivity is a key concern. The view is also expressed that since teacher evaluation is basically unscientific, steps must be taken to make it more scientific (Whalen). Consistently the literature states that objective criteria and data collection procedures by which accomplishments can be measured must be established (ISEA, Wisconsin DPI, Bell, Calhoun and Protheroe, Christiansen, Genck, Hatry and Gruner, Robinson). Interestingly, Hatry and Gruner point out that procedures which are most likely to provide suggestions for teacher improvement are also least likely to be objective.

Wise (1984) states that if a school system intends to consider most teachers for merit pay status, it has only to identify those few who will be denied; however, if the district will give only a few people merit pay, demands for reliability, validity, and public defensibility increase significantly. The concern for reliability and validity is echoed by others (Tennessee General Assembly, AASA, Bell, Robinson, Van Loosen).

Aside from the general concerns expressed for overall quality, more specific concerns are voiced for the actual kinds of evidence. Some sources believe that productivity is the key to judging successful work and that knowledge, skills, the teaching of more students, and the teaching of more difficult students, and the volume of content taught should be considered (AASA, Van Loosen).

Although the Wisconsin DPI has stated that its participants will be granted compensation solely on teaching performance, not necessarily on student scores, other sources suggest student progress is one source of evidence to be included. Criterion tests, standardized reference tests, measures of student content mastery, measures of student performance ability, and indicators of modification of student attitudes are some of the approaches by which student progress may be measured (Van Loosen, Johnson). Such testing devices should be consistent with the district's curriculum (Hatry and Gruner).

Other kinds of evidence might be data concerning interaction with students, parents, or colleagues; curriculum development; professional development. (Adkins, Temple). Another method would be to determine a list of goals with each participant. The participant and evaluator or administrator discuss, on a periodic basis, progress toward meeting the goals. The degree of accomplishment would be contingent upon the degree to which the goals had been met (Black, 1981; Geiger and Toscano).

Whatever the criteria, a compensation plan must make provisions for, encourage, and reward imaginative and creative teaching (Geiger and Toscano, Van Loosen).

On a more mechanical level, literature discussing the evaluation process also considers aspects as classroom observation and participant evaluator interaction. At least one source advises that a pre-observation conference occur (Christiansen). Sources make numerous suggestions concerning purpose of observations. All agree that multiple observations are necessary, but it is also suggested that observations occur in various situations for the purpose of observing different behavior and by several observers or evaluators (Phi Delta Kappa, 1984; AASA; Christiansen; Franz). Christiansen believes the participant should have the opportunity to make written response to observation results, or include some other written input.

Others believe that the observation, while used as a means of gathering evidence to be used in compensation decisions should also be used in formative evaluations; i.e., for the purpose of improving performance as well as determining compensation (Bell, Franz, Hatry and Gruner).

As for the actual business of making merit decisions based on observations and other evidence, it is felt that interaction between evaluators and participants should be encouraged and that participants should be cognizant of evidence which has been gathered to be used in making such decisions. This information could be made available in interviews or conferences with appropriate personnel, and/or through distribution of written reports to participants, or simply by encouraging participants to review personal files frequently (ISEA, Bell, Christiansen).

### Incentive Plans—Financial

Compensation may either be in monetary form, which in most cases is given without contingencies placed upon its use, or the participant may receive non-monetary compensation which is generally for professional enrichment, or for enrichment in the classroom.

However, in a discussion of extrinsic rewards, the benefits of intrinsic rewards should not be ignored. The literature suggests that besides the tangible, the intangible benefits are also necessary with the intangible having the potential as the more powerful incentive (ISEA, Bell, Zakariya, 1983). In fact a report available through the ERIC Clearinghouse (1981) concludes that teachers are less motivated by money than by the various intrinsic rewards available to them in the classroom; therefore, schools should adopt merit "praise" programs.

Specifically, it is felt that the most effective policies are those operating

indirectly which capitalize on rewards to teachers in the form of interpersonal warmth shown by students and parents who appreciate teacher work efforts and who are willing to cooperate with the school system, as well as the opportunity for the teacher to feel responsible for student progress. Whereas most compensation plans give much weight to the extrinsic reward, the power of the intrinsic reward should not be overlooked (Mitchell).

Douglas (1983) also believes that while extrinsic rewards cannot be expected to produce intense engagement in high performance, the predominant role is played by intrinsic rewards. Teachers may be more sensitive to intrinsic personal rewards than the extrinsic. Virtually all intrinsic rewards are available to these teachers who are successful in executing lessons and managing the classroom.

A report by the Rand Corporation, reaching similar conclusions, suggests that pay alone might not motivate teachers to improve, but that teachers had to believe that changing behavior would provide opportunities for professional growth resulting in increased effectiveness with students (Tennessee General Assembly).

Despite the importance of recognizing the power of the intrinsic reward, the importance of the extrinsic reward cannot be overlooked. Merit pay is still incentive pay—it does help to meet certain goals or solve certain problems by serving as a reward for teaching or other involvement in education under certain potentially challenging conditions (Van Loosen). Yet before monetary compensation can be viewed as a goal for which there is worth in working, it is believed that the basic pay scale must be viewed as worthwhile. It is felt that entry level salaries must be established at sufficiently high levels to be viewed as attractive in order to encourage those from the top one-fourth of the vocations requiring at least a bachelor's degree (AASA, Cramer, Whalen).

Merit incentives must also be viewed as sufficient in order for the effort exerted to be considered worthwhile. Merit compensation should be sufficient to provide actual incentives for teachers (ISEA, Cramer, Newcombe). The suggestion is made that incentive amounts be from five to 20 percent above base salary or at least $1,000 to be considered sufficient (Tennessee General Assembly, Wisconsin DPI, AASA, Hatry and Gruner, Van Loosen).

The literature reflects some commentary on the designs of financial compensation which are available; while Newcombe presents the most exhaustive list, there are other options available. For example, it is suggested that an incentive plan could be based on shortages, or on the acceptance of challenging positions; for attaining a specific level of attendance; for helping students make outstanding educational progress; or for professional growth. These are components of the Houston Second Mile Plan (Say and Miller, 1982).

Van Loosen lists a number of other points: pay may be linked to the regular salary schedule; i.e., those receiving high ratings may advance additional steps; or pay may be administered in a separate salary schedule; a one-time teacher excellence award may be considered merit pay; merit may be based on differential staffing; master teacher plans should provide several levels of advancement or promotion with higher levels of pay tied to increased skills, knowledge, and professional responsibilities; pay may be made in a lump sum or equal installments.

Whalen suggests that rather than rewarding the above average teacher, the below average teacher should receive help. Finally, Genck cautions that pay should be geared to performance because this provides maximum satisfaction to employees by allowing them to feel their salary has been earned. He points out that in practice this has been extremely challenging because prerequisites such as effective and fair evaluation, good staff relations; and plans which are adequate for the purpose and situation of the school may not be chosen or available.

### Incentive Plans—Nonfinancial

Besides the financial incentives, nonfinancial incentives should not be overlooked. Hatry and Gruner point out that a "menu of awards" besides

cash should be offered. They believe that if designed, implemented, and maintained, non-monetary programs can stimulate improved performance while providing incentives at low cost to the district, an advantage if the availability of monetary compensation is uncertain.

Bell believes that nonmonetary incentives recognize that personality differences exist and that these differences result in a need for compensation in some form other than extra pay. Similarly, the Catalina Foothills (Arizona) program views Herzberg's Hygiene Motivation Theory as an appropriate basis for developing and operating their program because nonmonetary compensation is an alternative in providing opportunities for growth, achievement, advancement, and recognition for a job well done (Frase, Hetzel, and Grant).

**Incentive Plans—General Issues**

There are three issues which pertain to both financial and nonfinancial compensation: whether compensation creates a permanent change in recipient financial status; whether compensation should be given on a quota or non-quota basis; whether names of recipients should be publicized or kept confidential.

Johnson and Van Loosen point out that in some merit plans, the additional merit pay becomes a part of the base salary, thereby increasing teacher salary in forthcoming years; in other plans it is given as a one time only bonus. However, it appears from the majority of the literature that compensation is recommended as, or actually exists as a form of compensation to be achieved on a yearly basis as opposed to compensation on a permanent basis (AASA, Hatry and Gruner, Van Loosen).

Although compensation may be given on a quota basis through necessity or other rationale, it is generally felt that a quota system may do more harm than good through the potential for creating competition, and possibly by perpetrating the attitude that compensation is unattainable and an unrealistic goal, thereby discouraging participants. A nonquota basis which makes compensation available to all who qualify or wish to work for it is considered the more sensible of the alternatives (Tennessee General Assembly, Hatry and Gruner, Johnson, Van Loosen). Geiger and Toscano found that in instances in which there was a numerical cut off, i.e., a quota system, that cut off was known only to the superintendent so that it would not become the maximum level of achievement.

To publicize or not to publicize the names of recipients of compensation presents an interesting predicament, perhaps a no-win situation. Although most sources which discuss the predicament advise a low key approach if not total confidentiality, the result is that exemplary individuals may not serve as role models for their peers (Adkins; Burke, 1982; Calhoun and Protheroe; Frase, Hetzel, Grant; Johnson).

**Financial Resources**

Although the financial underpinnings of any compensation program are certainly important, little about budget considerations and other financial concerns is discussed in the literature.

However, it is agreed that adequate funding is necessary before any plan can be launched (Tennessee General Assembly,Calhoun and Protheroe). Also is expressed the belief that merit funding should be provided from sources other than that used for basic salaries (Bell); although it is also stated that many districts with successful merit plans do allocate as much as 10 percent of their teacher payroll to the merit plan (Van Loosen).

**Plan Monitoring/Revisions**

Temple emphasizes that some form of progress check must be built in to any compensation program. The concern is to make the program responsive to participant suggestions and concerns (Say and Miller). Also, by regularly revitalizing the program, the opportunities for participant un-

derstanding of the workings of the program may be increased as well as providing opportunities for comparing the plan regularly to district objectives, and measuring cost effectiveness (Hatry and Gruner).

How often this review should occur is vague. Estimates ranging from continually to periodically to annually or biennially are suggested (Franz, Hatry and Gruner, Robinson).

There are many components to be considered in setting up and executing a compensation program. While the potential challenges may be off setting to a district which is considering implementing a compensation plan, Hatry and Gruner believe that the state should encourage school districts to experiment with incentive plans while providing systematic evaluation of plans so that "pilot districts" could assist and guide other districts. Also in organizing and implementing a compensation plan, policy should focus on school program development, instructional improvement, and adequate staff development as opposed to emphasis on controlling and distributing rewards (Tennessee General Assembly, Douglas, Kane and Chase).

A benefit of any merit system is that it requires school board members, teachers, and administrators to examine the operation of the school system from the raising of money to the education of children (Franz). However, one cannot ignore that merit plans can provide the ideal means of rewarding good performance; yet, the demands of such plans in the areas of staff relations, evaluation, compensation, and general management are extremely high (Genck).

Rather than succumbing to the demands of organizing and implementing a plan, or arguing that the intricacies are such that merit plans won't work, a way must be found to make them work (Van Loosen).

# *IV. FINDINGS*

In this section, the basic ingredients of what was determined about performance-based compensation plans will be reported. Much of this information is not new but should be viewed in the newer context which exists today. The milieu within which we find merit pay being discussed today is certainly different than that of just a few years ago. For example, some of the research highlights are from studies and position papers of ten years ago. That research may have been on target for the 1970s but within the newer context, its impact may have changed. With government and professional reports calling for action in this arena, a newer context surely exists. These findings are presented with these more relevant shades and hues in mind.

## *Literature Highlights*

Some of the research reviewed was conducted by the professional education associations. The American Association of School Administrators' (AASA) report on merit pay (1983) emphasizes the variety found in existing plans. The report also speaks of the early efforts in Newton, Massachusetts (1908), as well as the decrease in numbers of surviving active plans. Additionally, the report identifies several elements which cause difficulties. These elements range from poor evaluation procedures to inadequate financing. (AASA, Merit Pay)

With some states increasing their support of performance based compensation programs and with more sophisticated techniques of evaluation, these admonitions of the AASA study may now be inappropriate, but they represent concerns expressed in much of the research. The following is an iteration of research excerpts which will set the stage for findings related to specific programs now in practice.

### Types of Plans

In the study of the 76 districts, many plan variations were encountered. When the Tyler, Texas, school district (1984) studied this same subject, they identified the following types of plans:

*Bonus.* Lump-sum payment for a determined accomplishment.

*Increment.* Movement to a higher incremental step as a result of a favorable evaluation.

*Incentive Pay Plan.* An increase in pay or a bonus paid as an inducement to accomplish a certain task or reach a goal.

*Extra Pay for Extra Duties.* An increase in compensation for duties identified as beyond the normal teaching responsibilities.

*Differentiated Staffing: Master Teacher Plans.* Additional compensation for attainment of the status of "Master Teacher." The status of Master Teacher usually connotes additional responsibility for the mentoring or leading of teachers or instructional personnel at the beginning stages of their careers.

*Differentiated Staffing: Career Ladder Plans.* Compensation or an element of compensation is determined by movement up or along a predetermined ladder toward an ultimate status...such as, "Master Teacher." Steps are usually defined along the lines of probationary teacher, teacher, professional teacher, and master teacher.

*State Initiatives in Alternative Salary and Incentive Plans.* States have, on a statewide basis, established career ladders, incentive, master teacher, bonus, and other programs which range from state mandated programs, to encouragement for local districts to implement performance-based compensation programs.

**Financing the Plan**

The following elements were repeated time and again in the research.

- Merit Pay should not be in lieu of competitive entry level salaries. (National Education Association (NEA) from National School Public Relations Association, 1984, as reported in Tyler Independent School District, 1984). Entry salaries should attract the top one quarter of today's college graduates.(AASA)
- A range of five to 20 percent above salaries paid to competent professionals should be available for merit pay. (AASA)
- Make the reward large enough to make a difference.(AASA)

**Evaluation Systems**

The heart and soul of any plan is the evaluation process. The following does not exhaust the literature in this area, but it is indicative of the flavor of that research.

There are basically three approaches to determining merit; evaluation of performance, determination of professional growth activities and educational productivity...student learning.(ERS)

Evaluation can be individual or group...all teachers in a school, the third grade teachers, math teachers, etc. (Calhoun and Protheroe, 1983)

Evaluation of a formative nature fosters staff improvement, while summative evaluation is essentially to enhance decision making. (Calhoun and Protheroe)

Evaluation which is done too frequently is a detriment to morale and therefore the plan. (AASA)

Make sure that the evaluation system employed enables you to answer these two questions: 1. "If teacher 'A' got merit pay, why didn't I?" 2. "What do I have to do to get merit pay?" (Murnane and Cohen, 1985).

Make sure everyone understands the criteria used in evaluation and the uses of any necessary instrumentation. (AASA)

Evaluation techniques and evaluators must be free of subjectivity and politics. (American Federation of Teachers (AFT) from National School Public Relations Association, 1984, as reported in Tyler Independent School District, 1984)

The full complex of factors should be accounted for in the evaluation process, simplistic measures should be avoided. (AFT, Tyler Independent School District)

Teacher evaluators must know content competencies and process competencies before teachers will trust their evaluations. (Tecker, 1985)

Evaluation programs can be built around any or all of the following:

Input factors— content knowledge, class participation of students, professional preparation, etc.

Output factors— Student attendence, Student behavior, student achievement, etc. (Tyler Independent School District)

**Purposes of Merit Pay**

This is a sampling of purposes expressed for merit pay plans.

A career ladder should be used to keep excellent teachers in the classroom. (NEA, Tyler Independent School District)

Performance based compensation plans should be competitive to hold top professional staff. (Calhoun and Protheroe)

A plan should promote cooperation, equity and harmony. It should not be intrinsically divisive.(NEA)

**Planning for Performance-Based Compensation Plans**

According to the following, planning may be the essential ingredient in performance pay plans.

Planning is the key to the successful implementation of a career ladder program. (AASA Convention Reporter, 1986)

Those who are affected should help develop the plan.(AASA)

Make the plan and its implementation as simple as possible and hold the paper work to an absolute minimum.(AASA)

State plans should be flexible enough to provide for local adoption and local input. (NEA, Tyler Independent School District)

**Summary**

Other comments in the research indicate the attitudes of teachers toward characteristics of certain types of programs.

Do not restrict the percentage of teachers who may attain a particular status, i.e., Master Teacher. (Calhoun and Protheroe)

Create a career ladder for all teachers rather than a pyramid atop which only a small predetermined percentage may be "master teachers." (NEA, Tyler Independent School District)

The main criteria in evaluating performance-based compensation plans is "whether students have learned what the teacher wanted them to learn as a result of the opportunity for learning that the teacher created and executed." (Tecker)

And according to Tecker, "Education's problems are not unresolvable. Schools are not so complex that difficulties defy solution. More studies are not needed. Teachers and students do not need more experimentation. It is time for the leadership of our schools to act."

This brief excursion into the current literature along with the literature reviewed earlier should provide a basis for examining several performance-based compensation plans.

## *Analysis of the Plans*

**Demographics**

For this project, approximately 600 school districts, state departments of instruction, and other sources were contacted for copies of compensation plans. Ultimately, 76 plans were selected for analysis.

Although the purpose of this study was not focused specifically toward state plans, copies of state plans or other information concerning state compensation programs was received from Alabama, Arizona, Delaware, Florida, Idaho, Maine, Massachusetts, New Jersey, North Carolina, South Carolina, Tennessee, Texas, Utah, Virginia, and Wisconsin.

Of the remaining 61 school districts, 60 represent the following geographic distribution: seven each were received from Arizona and Virginia; five each from Texas and Wisconsin; four each from Colorado and Iowa; three each from Idaho, Illinois, Nebraska, Ohio, and Utah; two each from California, Georgia, Massachusetts, Missouri, and Pennsylvania; and one each from Connecticut, Florida, Kansas, Maryland, and North Carolina. The 61st is an interdistrict plan from Oklahoma in which three districts have cooperated in designing and operating a plan.

It should be noted that in cases in which both a state plan and district plans were received from one state (as is the case in several instances), similarities may occur in the district plans resulting from conditions set forth in the state plan. In Arizona and Idaho, for example, in order to receive state support, district plans must adhere to certain requirements

determined on the state level.

The remaining information in this segment is either descriptive or demographic; descriptive information includes the plan title as well as an indication of the district, interdistrict, or state nature of the plan; demographic information includes whenever available, the name, title, mailing address, and phone number of an individual in each district who can be contacted for further information.

Finally, the year in which the plan came into effect is listed. Of the 50 plans for which this information is available, 45 have begun since 1980. The majority, 21, have been in effect since 1985 with one in effect in 1986. Three plans have been in existence since 1979, 1977, and 1971; The Upper St. Clair (Pennsylvania) "Curriculum Leader Concept" plan has been in effect since the 1960s; the oldest plan made available is the Ladue (Missouri) "Evaluation and Salary Plan" instituted in 1953. It should be realized that these dates may include pilot programs or the first stage of a multi-year phase-in process, as well as actual institution of the plan.

The remaining analysis provides the potential for indicating 146 pieces of information about each plan. These individual pieces of information have been organized into nine categories: II. Planning, III. Organizational Options, IV. Participation, V. Evaluators, VI. Evaluation Process, VII. Incentive Plans—Financial, VIII. Incentive Plans—Nonfinancial, IX. Financial Resources, and X. Plan Monitoring/Revisions (a final category, XI. Unique Characteristics and Comments, is not part of the analysis presented here.)

In an effort to make this analysis as useful and palatable as possible, a summary of results is given for each of the subcategories to be found in each category with a more specific summary based on ten of the plans: Amphitheater Public Schools (40) Tucson, Arizona; Campbell County Schools (31)- Rustburg, Virginia; Cedarburg School District (31) - Cedarburg, Wisconsin; School District of Clayton (34) - Clayton, Missouri; Delaware State Plan (33); Dupage School District 13 (33) - Bloomingdale, Illinois; Joint Jerome 261 (39) - Jerome, Idaho; Kyrene School District 28 (42) - Tempe, Arizona; Oakwood City School District (31) - Dayton, Ohio; and the Tennessee State Plan (39).

The reason for the focus on these ten plans is that based on the literature review, the documentation instrument is comprised of exemplary characteristics which a compensation plan could possess. Therefore, although there is no "top score" so to speak, the greater the total of points for each plan, the more exemplary qualities that plan possesses. (Total points for the ten plans just listed are found in parentheses after the school district name.) Also, in an attempt to provide an additional dimension to the forthcoming analysis, it was determined that the top ten plans would be included for additional support and clarification whenever appropriate.

Several plans not included totaled as many or more points than those listed above. In compiling the list, it was found that in several instances when a state plan established certain requirements, the district plans from that state had similar totals because they were adhering to their state requirements. Rather than highlight several well organized, but similar plans, it was decided that a plan with the next greatest total would be used instead.

### Planning

The actual planning procedure appears to be a major factor in the plans analyzed to the extent that attention is given it in the documents received for use in this study.

Although actual time spent in laying the ground work and engaging in planning activities has not routinely been made available, it appears that two or three years is a typical period of time which is devoted to planning. Administrators and teachers are most often the individuals to participate on planning committees. Of the 76 plans analyzed, 26 planning committees included teachers and 20 included administrator representatives. To a

lesser extent, 12 included school board members, and ten, various members of the community. Students were not included on any of the planning committees analyzed while three included nonteaching specialists and five employed consultants.

In those districts whose plans adhered most closely to criteria delineated in the literature, a planning committee of administrator and teacher representatives was most often used with the addition of school board representatives the next most common element. The plan for Delaware was designed by an external consulting firm. The Joint Jerome plan incorporates the widest range of representatives on its planning committee by including both parent and community representatives.

Review of other district plans was a concern of 13 of the 76 plans analyzed with some review procedures including visitations to districts and interviews with a variety of individuals in these districts. The Amphitheater plan employed a "travel committee" charged with the duty of visiting "experienced career ladder developers" throughout the country. Of those ten districts analyzed more closely here, six reported reviewing other district plans.

Availability and clarity of information concerning a district's plan is evidenced by the fact that 59 of the 76 districts analyzed provided some form of printed information specifically designed to speak to participants in the program. These ranged from specially designed spiral bound handbooks as those provided by Amphitheater, Kyrene, Campbell County, and Tennessee, to more modest booklets as those provided by Oakwood City, Clayton, and DuPage. At the other end of the extreme, one finds mimeographed handouts. Regardless of the form or quality in which explanations are made, there appears to be consensus that explanation must be made available to participants as completely as possible, and in writing.

Varying degrees of orientation programs are provided by 16 of the 76 districts. These orientations range from an individual conference with one's principal or other supervisor when one is hired, to informational meetings open to all members of the community. The Amphitheater plan not only kept teachers informed initially, but maintains newsletters and bulletins to keep participants current at all times. The Clayton "Career Ladder Salary Plan" includes orientation at several points on the Career Ladder as individuals advance.

In Idaho, the Joint Jerome School District provides orientation sessions to aid in the understanding of teacher and evaluation roles, the evaluation criteria, the evaluation process, and district policy regarding the program. Orientation is also provided for evaluators.

Twelve of the 76 plans are currently in or have included a pilot phase as a means of gathering data for implementation of the actual plan. Of the ten plans specifically analyzed for this segment, Campbell County is in pilot status as of this writing, as is the Kyrene plan. The DuPage plan, in existence for many years, is also based on results of a pilot program. The results concerning pilot programs are not to imply that pilots are not typically included in a district implementation process, but rather that the appropriate information was not made available to be included in this writing.

Only five of the 76 plans included indicated teacher approval as a factor in implementation of a plan. Realizing that teacher approval may have implications relating to collective bargaining, it must be emphasized that in this context, collective bargaining is not meant to be a factor. These five plans are largely to be found in Arizona whose legislature requires evidence of the extent of support of a plan by teachers. Yet, it is unclear as to the extent to which teacher approval or disapproval would influence implementation of a plan.

In Kyrene, for example, 97.5 percent of teachers voted on the "Career Ladder Plan." Fifty-five percent endorsed all components; 28.3 percent endorsed the majority of components; 13.6 percent did not endorse the majority of components. If, for instance, the majority group had not endorsed the majority of components, it is unclear what subsequent action

would have been taken. The Cedarburg Board of Education, on the other hand, has clearly agreed to refrain from implementing its Salary Incentive Model until receiving input from the Cedarburg Education Association.

Finally, implementation appears to occur through a phase-in procedure as in the Amphitheater four year phase-in plan, or the Delaware five year phase-in; or implementation may be contingent upon approval given to districts from the state level for fulfilling specific requirements as is true in the Arizona as well as Idaho schools.

### Organizational Options

Categorizing the 76 plans according to their organization has been challenging in some instances in which the district determined the plan was of one type yet according to the options provided, it appeared to emphasize qualities of another type. In such instances it seemed prudent to defer to the original plan.

The user should be aware that the nine general plan descriptors are products of the literature review.

The Career Ladder was in evidence far more often than any other plan with 32 of the 76 plans reporting it as the basis of their program. Although the career ladder concept may be used often because it provides a "ready-made structure," another reason for its prolific use may be that it is a required feature of several state plans. The Career Ladder also creates a more dynamic career situation by offering periodic challenges toward which the participant may work.

The next most frequent general plan descriptors indicated were various programs titled "incentive plans" reported by 16 programs and 14 plans in which various output factors were measured. At the other extreme, no plan was based solely on differential staffing; one was based on measurement of input factors; three each were designed to provide mentor or master teacher programs. A final miscellaneous category "OTHER" includes nine entries. Although the user is encouraged to consult original plans to determine the nature of these "other" plans, the majority of them are grant programs.

The ten featured plans do not reflect the same range as the total picture. Four of the plans measured various output factors; three were career ladders; while Joint Jerome and Kyrene also used the career ladder, they incorporated other major features: Joint Jerome offers both an extended contract and a grant option, Kyrene offers as a rather substantial part of its plan, incentive pay; finally, DuPage offers a Performance-by-Objectives(PBO) program.

### Participation

This section deals with conditions under which participation and withdrawal occur, compensation recipients, participant eligibility, and participant rights and responsibilities. Of the 76 plans analyzed, participation is mandatory in 35 instances and elective in 39 instances. A very few plans contain both mandatory and elective features, true particularly of career ladders in which the primary steps on the ladder may be mandatory, but at a certain point participants may elect to advance.

Twenty-eight plans, the majority of them elective, allow participation if certain conditions are met. In other words, a participant must have a certain amount of experience in the system, possess a particular certification, maintain a certain standard on evaluations, or complete some other requirement in order to be eligible to participate.

Of the ten plans featured, six have mandatory participation; of the remaining four, two are elective (no indication of conditional participation is available), the remaining two, Joint Jerome and Tennessee, allow conditional elective participation. Under conditions of the Joint Jerome "Extended Contract and Training Grant" plans, a need must exist in the system, and applicants must submit a proposal and be qualified to carry out the proposal. To participate in the Tennessee "Career Ladder Plan,"

participants must achieve the minimum qualifying score on the National Teacher Exam and complete a college preparation program. Conditions become more demanding as the participant advances.

Just as participation may occur on an elective basis, withdrawal may also occur on an elective basis. However, this is not the case with any of the ten featured plans.

In 68 cases, compensation recipients are limited to individuals; for five of the plans, groups are eligible to receive compensation; for two of the plans, building faculty may receive compensation. Generally, if group or building compensation is offered, individual compensation is also offered. In only one instance, in one of the plans in which building compensation is offered, is no other compensation available.

With one exception, Campbell County, the remaining of the top ten plans have individual compensation. Campbell County apparently provides individual, group, and building compensation although it is unclear if this plan is actually differentiating between group and building recipients, or if the terms are interchangeable.

In the great majority of instances (66 of 76), full-time teachers are individuals for whom the compensation programs are designed. Administrators (18 of 76) are the next largest group with nonteaching specialists (15) following. In two instances, arrangements are made to allow substitute teacher participation, and in ten instances, part-time teachers may receive compensation on a prorated basis. In many instances, plans designed for full-time teachers are also extended to include part-time and non-teaching employees. However, plans intended specifically for administrators are generally not extended to any other personnel.

Nine of the ten plans upon which this segment is based provide compensation for full-time teachers; Oakwood City's plan is for administrators only; Campbell County includes the greatest number of categories by extending their plan to full- and part-time teachers as well as non-teachers and administrators.

Participant responsibilities and rights are varied. Thirty-one of the 76 cases report participant access to an appeals process (as with all figures reported here, this is not to say that the remaining 45 plans did not incorporate an appeals process, only that the information was not made available).

Twenty-five plans require potential participants to complete some application procedure, and in 18 instances participants must apply to advance in the program (this is probably true most often with career ladders than other plans). Once accepted in the program, 27 plans require participants to delineate personal performance objectives, or create a personal growth plan. This seems most typical in administrator compensation plans, but exists on a widespread basis as a part of many other programs. For plans in which a variety of evidence determines compensation, participants typically create a portfolio documenting their various accomplishments. This is the case in 15 of the 76 plans.

Of the ten featured plans, seven indicated inclusion of an appeals process; three require participants to complete some application process, while four require participant application to advance; in six cases, participants create personal objectives or other personal growth plans: in four instances portfolios are considered as evidence.

Finally, in the cases of the DuPage, Oakwood City, and Tennessee plans, participants also carry the responsibility of requesting a conference with an evaluator. This may mean that the participant seeks interaction with an evaluator for purposes of formative decisions, or may indicate that the participant is ready for observation or evaluation.

### Evaluators

Although evaluators are certainly key individuals in the compensation process, little information except the following is available on them.

Generally, administrators and specifically building principals serve as evaluators. This was true in 40 of the plans. For 22 of the plans, a special

committee was charged with evaluation; often the principal is a member of this committee. In 16 cases, teachers served as evaluators, although the use of peer evaluators seems to be a controversial area; in some instances, teachers were members of the special committee mentioned previously. In two instances, parents were included in evaluation procedures, and in one case, community representatives were included. Other individuals who may serve as evaluators are school board members, department chairs, and occasionally individuals from the state level.

Six of the featured schools use administrators for evaluators; Delaware proposes the participants' immediate supervisor who may or may not be the principal, evaluate. Oakwood City includes school board members in the evaluation process while Amphitheater and Tennessee use teachers. Tennessee also uses, in combination with area teachers, evaluators from the state level. Kyrene depends upon a series of committees to discharge various evalutive duties.

Evaluators are reported to receive special training to discharge their duties in 13 of the 76 programs. Half of the ten plans receiving special emphasis report training programs for evaluators. In the interests of preserving some integrity, a number of the remaining five have simply not included this information.

Considering the quantities of time which proper evaluation must consume, it iscurious that apparently 73 of the plans analyzed expect evaluators to proceed with their regular duties in addition to observing and evaluating plan participants. This conclusion is drawn because only three of the plans indicate that evaluators' duties are adjusted in some way. Again, it may be that through omission of information this appears to be the case. Only the Amphitheater plan mentions that evaluators are allowed some adjustments of their normal duties to assume their evaluation duties.

Although not one of the ten featured plans, perhaps it is deserving of special note that only Orange County, Virginia, indicates concern for evaluator evaluatee ratios. The plan attempts to maintain a ratio of one evaluator per 16 secondary participants and a one to eight ratio for participants on the elementary level.

### Evaluation Process

The evaluation process itself is the most lengthy, complicated, and varied section of this chapter. Although the purpose of this summary has been to present a general picture of the factual results of this study, in this section results are so varied that conclusions were especially difficult to draw. The user should be aware of this predicament when reading this section. The user should also be cautioned that in some instances what may be called an evaluation is actually an observation. Often they are similar, but in many instances, observations culminate in an evaluation. Whenever possible, differentiation has been made.

Although reported by only half of the total districts, the number of evaluations or observations per year per participant ranges from one per four years to as many as nine per year. A typical number of annual observations or evaluations appears to be one or two. In instances in which a wide range can be found in one plan, i.e., two to five, two to six, two to nine, the reason is typically that a career ladder is the organizational design of the plan and teachers in the initial stages of the ladder are observed or evaluated more often than those in the more advanced stages.

In six of the 76 plans, the number of evaluations/observations is best stated as "conditional." That is, the number is dependent on participant need or on participant/evaluation decision. One or two annual evaluation/observations is the case in six of the ten plans featured. Of the remaining who provided this information, DuPage requires from two to five evaluation/observations; Joint Jerome, one to four; and Tennessee, three for every three to five year period.

Whether evaluation/observation periods are scheduled or impromptu, and whether they are scheduled at evaluator or participant discretion, is

another issue. Unfortunately that information is not generally included and/or some programs incorporate all three types of arrangements. However, in 13 instances, impromptu or unannounced visits are made by the evaluator/observer; in 12 instances, visits are scheduled by the evaluator. In only five instances are visits arranged by the participant. Recall that in section IV, it was the responsibility of the participant in nine cases to request conferences with the evaluator. There may be overlap between the area in IV and the area currently under discussion in VI.

Only Amphitheater, of the ten featured districts, includes both evaluator and participant-arranged visits as well as impromptu visits; DuPage allows impromptu visits; Tennessee uses both impromptu and participant scheduled visits; for the remaining five plans, no information is available.

One of the most important areas, criteria upon which compensation decisions are to be made, exists in a variety of detail in 65 of the 76 plans analyzed. Criteria exists in a wide range from rather general terms such as "exhibits concern for students" to more specific definitive behaviors. Sixty-five of the 76 plans include criteria appearing within this range. All ten of the featured plans incorporate specific criteria.

Of the 65 plans incorporating criteria, 47 of them include a standard which must be met or maintained. For example, on a five point scale a participant may be expected to achieve and maintain a 3.5 in order to receive compensation, or to continue to participate in the compensation program. Of the ten featured plans, only two did not indicate a standard.

In order to carry out an observation or evaluation which is of benefit to the participant, 18 of the 76 programs indicate that a pre-observation conference is held in which evaluator and participant may discuss expectations of the ensuing observation. Half of the ten featured plans include a pre-observation conference in the evaluation/observation process. In the Tennessee plan, for example, it is stated that in the pre-observation conference, the teacher not only explains the objectives and procedures to be used for classes observed, but will also disclose any unique situations in the classroom or school. The teacher also summarizes class activities on the previous day and explains the relationship to the observed class periods. Thus, the evaluator is able to conduct his/her duties in a fairly informed manner.

Besides evidence derived from a classroom observation, many plans assume a multi-evidence approach in drawing compensation conclusions. Of the four major categories into which other evidence was distributed, interestingly, 45 of the 76 plans landed in the miscellaneous "other" column. Examples of miscellaneous evidence which was categorized as "other" are: acceptance of additional responsibilities; references supplied by peers, students, or a community member; and survey results from a variety of respondents. Twenty-three of the 76 accept teacher portfolios as evidence of accomplishment; 21 each included some form of personal evaluation or personal objective or growth plan.

Of the ten plans analyzed here in greater depth, Clayton includes all types of evidence; Cedarburg, DuPage, Joint Jerome, Oakwood City, and Tennessee require a self evaluation statement or completion of an assessment instrument; Amphitheater and Oakwood City include teacher goals or a personal growth plan; DuPage, Joint Jerome, Kyrene, and Tennessee request portfolios.

Amphitheater includes a duration criteria for each level as well as requiring the participant to accept additional duties; Campbell County determines recipients of certain awards by secret ballot; Cedarburg considers peer rank ordering as well as possible interviewing; at some levels, Clayton uses student or parent evaluations; DuPage may include self-set goals from the previous year; Kyrene makes available a variety of norm and criterion-referenced options from which the participant may choose to be submitted as evidence; Tennessee includes results of three participant-observer dialogues as well as questionnaires from principals, students, and peers.

In the event that a substandard evaluation or evaluations occur, a variety of contingencies may result. As with the evidence section discussed above,

of the six options made available, the miscellaneous "other" column was the most full with 17 of the 76 responses. Types of actions which were catgorized as "other" were generation of an instructional improvement plan to be completed within a specified period of time, as is true of the Amphitheater plan; ineligibility for participation in other options or receipt of other incentives, as is the case in Campbell County; or in some extreme instances, the option to participate in a retraining program aimed toward employment outside of the education system, as is the case with Clayton's "Career Ladder Salary Plan."

Of the other six responses to substandard evaluation or observation, 13 recommended termination at some point; nine, salary freeze; six, salary reduction. In the instances of a career ladder, two recommended a step freeze; in nine instances, individuals are demoted; in eight cases, some type of skill refinement action is taken. In several instances, more than one action may be taken depending upon the specific case.

Of the ten featured plans, in addition to the other actions taken as indicated above, Amphitheater and Joint Jerome may demote individuals for substandard work, while Clayton, Delaware, and Kyrene may terminate individuals at some point; Kyrene may recommend a step freeze; Clayton, Delaware, and Kyrene may require a skill refinement plan to be enacted.

Participant input may occur in a variety of ways. The pre-observation conference discussed previously is one manner in which this occurs; participant-created goals, evaluations, and personal growth plans are another way in which participation may occur; with some plans much emphasis is placed on cooperation between participant and evaluator. In 19 of the 76 plans, some form of participant input is encouraged. In six of the featured plans there is some form of participant input.

In 21 of the plans, the evaluation process occurs not only as part of the compensation process, but for instructional improvement; i.e., evaluation results are also used in making formative decisions. In seven of the ten featured plans, this is the case. Three of all the plans analyzed allow some consideration for special circumstances under which the participant may be working. This is similar to the option of the teacher in the Tennessee plan who may divulge any special circumstances to the observer in the pre-evaluation conference.

It is generally assumed that the participant should be cognizant of his/her evaluation comments. Results of an observation are divulged to the participant in ten cases by the evaluator; this information was provided in only 18 of the 76 plans. Similarly, of the ten featured plans, only four included this information. In one instance an administrator, in three instances, the evaluator, is charged with this duty.

In 20 of the plans, results are disseminated in a conference situation, and in 20 of the plans, a written copy of the results is made available. In 14 cases, both verbal and written information is given to the participant, suggesting that it is not only important for the participant to be aware of the "official" or written conclusion, but also that in some plans it is considered important for the participant to have the opportunity to request further information which can easily be given in a face-to-face situation. In the Amphitheater, DuPage, Joint Jerome, Oakwood City, and Tennessee plans, results are provided both verbally and in writing.

**Incentive Plans—Financial**

This portion summarizes the classification of plans, attempts to describe the range of financial incentives which one may receive, and provides some additional information concerning quotas and publicity surrounding receipt of financial incentives.

Despite the fact that 18 different labels were found to describe various financial plans, it still became necessary to include a miscellaneous "other" column in which there were entries. In more than one instance, differentiation between labels is impossible. It was concluded that if an incentive procedure was called by a certain name in a specific plan that it

would continue to be called by that name here if possible. It must be noted also that several plans may be offered by one program.

Thirteen of the 76 plans gave bonuses to participants. There are four other categories which may be defined similarly to "bonus" but which are specifically used by individual plans. They and the number of plans which use them are: stipend, nine; award, six; and award limited to professional use, one.

Various modifications of the basic track salary schedule was the incentive design chosen by others: ten plans offered a percent increase; three, horizontal advancement; ten set aside a specific range on the salary schedule; one plan specifically stated a multiple track salary schedule; six provided supplemental contracts for program participants; ten used a point system to determine placement on a schedule. In two instances in which grants are available from the state, the type of compensation is simply called "state incentives."

Accepting different or difficult responsibilities aside from one's usual position is the basis for three additional designs; developing a proposal for and carrying out a needed project is the basis for compensation in two instances; similarly, assuming extra responsibilities for extra pay is available in nine cases; working under special conditions begets compensation under the auspices of one plan.

Of the ten featured plans, Clayton "out-offers" the others in different types of incentives. A percent increase, special range on the salary schedule, extra pay for extra responsibilities, bonuses, expenses paid for professional uses, and stipends are those offerings which seemed most obvious. Kyrene offers a supplemental contract as well as extra pay for extra responsibilities, but the plan also offers an optional incentive compensation plan. Most creative may be the procedure used by DuPage in which principals rank participants based on the extent to which earlier expectations have been met. Oakwood City provides a percent increase, but also compensates for continuing education units and performance experience in its administrator program. Cedarburg determines bonus amounts on a point basis.

In 21 of the 76 plans, compensation can lead to a permanent change in one's financial status. This is the case with four of the ten featured plans. A generalization concerning the amount of the compensation is very difficult not only because of the range of actual dollar amounts ($80.00 to $8,000) but because some are given in percentages of the base or some other amount (1-15 percent); and two are conditional or negotiable.

Of the ten featured plans, considering the information provided, Tennessee offers the greatest incentive amount and broadest range of $1,000 to $7,000. It should be remembered that this is compensation for advancement on a career ladder and undoubtedly to reach the upper echelons is challenging.

Delaware proposes a $2,000-$4,000 range; Joint Jerome and Kyrene extend to around $2,000.

The remaining of the ten plans provide compensation in the $500 to $1,000 range with the exception of Oakwood City which compensates in the 2-4 percent range. In eight of the 76 instances, a quota is set for recipients of compensation. This seems typically to be the case when the compensation is in the form of an award, when a phase-in program is underway, or when recipients are determined by need in the district. Of the ten featured plans, only two, Cedarburg and Kyrene, base participation on quotas. In the Cedarburg plan, a bonus plan is available to a maximum of one third of the eligible faculty; in the Kyrene plan, a quota system occurs in some of the incentive options.

Whether to publicize or not to publicize names of recipients of compensation is an interesting controversy which apparently caused difficulty in some instances. Of the majority of the 76 plans analyzed, this information is not included in available material. Three plans have chosen to publicize recipients, two have specifically stated they maintain confidentiality or "down play" recipients' identities. This presents an interesting predicament. If publicity causes peer problems, confidentiality may also cause

problems by failing to recognize those who could serve as role models to their peers.

### Incentive Plans—Nonfinancial

Although compensation is overwhelmingly a direct financial transaction, in some instances the participant receives compensation in other forms. In most cases these non-financial incentives are meant to be professionally enriching to the participant or to be used as an aid in the participant's classroom. Again, (as with the challenge of categorizing the financial incentives) despite the five categories of nonfinancial incentives which emerged from the literature review, most responses (15) of the 76 plans analyzed fell into the miscellaneous "other" category.

Six plans provided grant support for pursuit of a special project which the recipient will conduct for the benefit of the school. Six also pay expenses for professional conferences, meetings, or other professionally enriching events. Four plans offer sabbaticals; five include some form of public recognition as presentation of an award at a banquet or other special event. Three provide funds for computers, aquariums, or other classroom equipment.

The most impressive array of nonfinancial compensation is provided by the School District of Clayton. Compensation recipients at varying levels of the career ladders may receive compensation such as release time, a private office, clerical assistance, or use of a district car.

As with information concerning the average dollar amount of financial incentives, information concerning dollar amounts of nonfinancial incentives is even more sketchy. In one instance, the amount of less than $5,000 is provided; in another, the Cedarburg system provides grant money in the amount of $500.00. In only two instances are quotas placed on recipients of nonfinancial compensation, as in Cedarburg. Again, information concerning publicizing names of recipients of nonfinancial compensation is sketchy, as is the case with financial compensation. One plan indicates recipients are publicized, one indicates confidentiality.

### Financial Resources

*Section IX* dealing with financial resources in the realm of the total budget can offer only sketchy information for two reasons. First, many plans just did not provide information of this nature. Fourteen of the 76 plans provided reference to budgeting. Second, the figures are so widely ranging that providing a figure pertinent to one plan may be rather meaningless to the total picture. Figures quoted range from $50-60,000 for one district to a quote of $37 million in the case of one state plan.

Sources of funding are equally scarce. In two instances, federal grants have been provided to aid in financial assistance; in three instances, state grants.

### Plan Monitoring/Revisions

The literature review suggests that any compensation plan must include some monitoring procedure in order for it to remain dynamic and responsive to its participants. Of the 76 plans analyzed, 28 indicate they have recognized the need for some monitoring procedure and have such a plan available. In instances in which district plans are under the auspices of state plans, monitoring may be a required facet of the plan.

Of the ten plans featured, eight indicate that regular monitoring has occurred or that a monitoring provision is to be implemented.

Eleven of the 76 plans indicate monitoring has or will occur on an annual basis; six will monitor and/or revise on an "as needed basis"; eight programs indicate their monitoring system operates on a continual basis. Joint

Jerome, Oakwood City, and Tennessee report annual monitoring; Campbell County, Clayton, and Kyrene report monitoring on a continual basis. Participants in the monitoring/revision procedure are varied. Nine plans include teachers in the procedure; eight include administrator representatives; seven used other representatives, generally special committees. At the other extreme, three included school board representatives; one plan each indicated the use of consultants, parents, and community representatives; none included students. DuPage uses teachers exclusively in its monitoring/revision. Oakwood City includes a combination of school board representatives, administrators, and teachers. Tennessee also uses teachers and administrators, but includes consultants. Delaware proposes to divide monitoring/revision duties between state level committees, and the local school board and administrators who will oversee other areas. An external evaluation team is used by Campbell County. Finally, a committee approach is selected by Amphitheater which charges its Career Ladder Director and Oversight Committee with carrying out the monitoring process; Kyrene's Career Ladder Advisory Council provides the same duty in that district.

**Unique Characteristics/Comments**

Although the purpose of *XI* has been to provide a very concise commentary of unique qualities of plans, it is not considered a definitive area, nor is it considered objective to the extent that other segments of this report may be. As has been indicated elsewhere, the original plan should be consulted for additional information and explanation.

## *Exemplary Districts: Selection*

Among the first thoughts concerning this study was the idea that certain school districts would be identified as exemplary. Exemplary was not defined but was portrayed as, "unique," "successful," and "outstanding" in the discussions which ensued. Eventually one characterization of "exemplary" did evolve—performance-based. Therefore, the definition of an exemplary program became, "a district that has a performance-based compensation plan which is active and successful."

That definition is much better than the original variety but does not answer enough questions to allow the establishment of criteria for determination of "the" exemplary district. The actual determination of an exemplary district was accomplished through a rather subjective means. First, the 76 plans were analyzed. That analysis produced a ranking of the plans according to the frequency with which each plan incorporated the elements identified as exemplifying a well constructed and executed plan.

Second, all of the plans were examined with the general purposes of the study in mind. That is, were there plans which did not achieve the status of the top 16 through the first analysis, but possessed certain qualities or distinctive features that could not be overlooked? Or, would one of those plans fit the needs of Iowa better than another? This is what we were seeking in the second analysis.

In this subjective manner, the following ten districts were selected:

1. Amphitheater Public School, Arizona.
2. Bibb County Schools, Georgia.
3. Blackfoot School District 55, Idaho.
4. School District of Clayton, Missouri.
5. Dupage School District 13, Illinois.
6. Orange County Public Schools, Virginia.
7. Rittman Exempt Village Schools, Ohio.
8. Round Valley Unified School District, California.
9. Tennessee State Plan, (Chattanooga Public Schools), Tennessee.
10. Watonga, Kingfisher, Seiling School Districts, Oklahoma.

Three of the ten districts selected for further review were not in the top 16 districts as a result of the first analysis. The subjective review of all the districts did indicate that these three districts had such interesting elements that they should be included in the final ten.

The other seven districts included in their plan and/or implementation more of the desireable planning and implementation elements than the other 65 districts. Even though these seven districts were among the top 16 districts, they were not necessarily the top seven districts. It was decided to select districts so that there was representation from various parts of the country. Had that not been considered, Arizona and Idaho would have constituted about 50 percent of the districts in the top 16. The top 16 districts are:

1. Amphitheater Public Schools, Arizona
2. Apache Junction 43, Arizona
3. Blackfoot School District, Idaho
4. Campbell County Schools, Virginia
5. Catalina Foothills, Arizona
6. State Plan for Delaware
7. Dupage School District 13, Illinois
8. Joint Jerome 261, Idaho
9. La Due School District, Missouri
10. Lewiston Ind. School District, Idaho
11. Oakwood City School District, Ohio
12. Orange County School District, Virginia
13. Rittman Exempt Village, Ohio
14. Round Valley Unified School District, California
15. State Plan for Tennessee
16. Washington Elementary School District, Arizona

Having established the districts to be examined in more detail, the interview guide was used to structure the conversation with the school personnel. In each district there was an attempt to contact the person who was most responsible for the development, administration, implementation of the program, or involvement in the program. Either the superintendent, assistant superintendent, career-ladder leader and/or principal in the district was contacted. From the original information obtained and the follow-up interview, a brief description of the plan for each district is presented. Conclusions drawn from these two sources are presented in the following pages along with the descriptions.

## *Exemplary Districts: Description*

In order that this section of the report will remain focused, a brief description of the plan will be offered along with the particular uniquenesses or strengths worthy of mention.

**Amphitheater Public Schools, Arizona.**

This program has two basic elements. First is the opportunity for teachers to advance along a career ladder program, which has as its fundamental purpose the rewarding of superior teaching. This career ladder has five levels: Probationary Teacher, Career Teacher, Career Teacher I, Career Teacher II, Career Teacher III. Attainment of these levels is through evaluation of the skills of teaching. The skills and the process of evaluation is well defined and documented. The evaluation is conducted by teacher peers (and the principal).

Second, the teacher has the opportunity to participate in a Professional Growth Plan, which becomes an active part of the evaluation system. While some teachers are involved in an Instructional Improvement Plan to increase or improve teaching competencies, other more proficient teachers are involved in Professional Growth Plans. There are five areas under the professional growth plan. They are:

*Evaluator Program.* The teacher receives training to become a peer evaluator and eventually takes part in the evaluation of fellow teachers.

*Mentor Program.* A program for teachers to provide support to teachers in need of that support. The purpose of the mentor is not restricted to the teaching act. Support is provided in all areas of the teaching profession,

including teaching improvement.

*Curriculum Development Program.* Basically the teacher selecting this area of professional growth will be developing, monitoring, and modifying curriculum.

*In-Service Program.* This group of teachers provides in-service to those other teachers who have received an "NI" (Needs Improvement) in a teaching skill area. Other teachers may also participate in these activities.

*Support Group Program.* Teachers selecting this professional growth activity provide support to the probationary teachers. This is a broad-based program including district policy interpretation, information on evaluation procedures, career options, and available support personnel and activities.

Essentially those are the pertinent areas in this program. A fairly simple salary schedule exists for all personnel. A probationary teacher is paid a beginning salary and can advance horizontally across the six steps by recommendation of the Career Advancement Committee. A teacher can also be assigned to a lower step or level by the committee. There is an appeal process.

This plan was developed by the teachers and administrators of the district with much study, and it was patterned after the Charlotte-Mecklenburg, N.C., and Tennessee State career ladder programs.

The telephone interview produced some clarifying information. The written plan does not make clear what the role of the principal is in the evaluation system. Through the interview it was learned that the principal is one of the three evaluators. The other two are teachers. This represents a strong emphasis on teacher/peer evaluation as compared to other districts.

The plan is being implemented this year (1986). Full implementation will be instituted in 1987-88. Therefore, little can be learned through the district's experience to this date. The district appears enthusiastic about its implementation. One or two other items which are important to mention. The state of Arizona is providing $12,600 per teacher for this plan, and the state provided start-up funds amounting to $118,000 for this district.

**Bibb County Public Schools, Georgia.**

This is probably the most unique plan of the 76 reviewed. The Bibb County plan is called the "Quality School Performance Plan." As the name indicates, the evaluation is done on a school basis. That is, the evaluation is done by means of pre- and post-tests that are statistically treated to determine if significant growth is evident for the children of a particular school. Only grades two through six are measured. More specifically, the pre-test is used to establish base line data and to identify target achievement levels for each student, each class and each school. If those targets are met, the personnel of that school receive performance compensation. The rewards are distributed on the basis of the degree of success in each school. If three of the five grades achieve statistically significant gains, 60 percent of the available award ($1,200 per teacher) is granted.

If four of the five grades achieve success, 80 percent of the award is granted, and if all the grades achieve success (statistically significant) 100 percent of the award is granted. The principal, librarians, counselors, and all other professional staff of a school, part-time or full-time, benefit from the system.

This was one of the few plans that had its system based almost entirely on output factors. It appears that there was little attention paid to input factors in the process. It is assumed, however, that the position on the regular salary schedule was determined by input factors.

The follow-up interview was productive in casting other shades on this plan. The Chamber of Commerce and local businesses have had a strong hand in the development and financing of the plan. The business community has made a three-year commitment to finance the plan. Three of the 44 elementary schools are participating at this time. The motivation for a plan came from the business community but the teachers had a significant hand in the development of this particular plan.

The principal of one of the three schools indicated that as a result of the

business community's input they are closer to the schools than before. He also indicated that this could be a difficulty when the first set of results are available this summer. If the results are not significant, poor public relations could result. Also, since the results of the analysis will be by grade level, certain grades may receive criticism which may or may not be appropriate.

The amount of record keeping was a concern to the principal. A plus mentioned by the administrator was the helpful attitude which was developing, but even with this helpful attitude, a possible problem existed. For example, since the kindergarten and first grade are not treated as a part of the group those teachers are helping with certain skills at the upper grades. Will that help come at the expense of their regular classrooms?

Through the interviews, an air of concern was discerned. The potential positive or negative reactions from a community that has had its awareness sharpened is a definite concern to the administration. They await the results of the testing and the statistical treatment which is due at any time.

**Blackfoot School District 55, Idaho.**

This district has a three-part program. A career ladder, extended contracts, and training grants are the available choices in which teachers may participate. Participation is optional and may be discontinued at any time.

The career ladder program has three levels: Level I, Level II, and Level III. The areas of evaluation are: 1. Extraordinary Teaching, 2. Innovation, 3. Leadership and 4. Additional Responsibilities. Certain activities for each area are listed and the forms for recording the degree of success in each area are provided. The teacher prepares a portfolio to demonstrate his/her competency in each area. For the teaching aspect there are evaluations and observations on which the teacher is rated. The teacher must attain an average score of seven (out of a possible ten) to be considered for the career ladder. On that same instrument and from the evaluation a score of seven on instruction and classroom management must be attained. The other elements of the requirements, innovation, leadership, and responsibilities, are demonstrated through documentation in the portfolio. Innovation is shown through the materials used and developed and the teaching techniques employed. Leadership is indicated through activities in professional groups, conducting workshops, special honors, etc. The additional responsibilities section has to do with participation in graduate work, "non-required" in-service, conferences, etc.

A teacher makes application in April and submits the portfolio which is examined by the career ladder committee (made up of teachers, administrators, a parent, a patron, one trustee) The committee evaluates all the portfolios and assigns a score to each. A teacher receiving a score of 70 qualifies for Level I, a score of 80 qualifies for Level II, and a score of 90 qualifies for Level III.

The extended contract program is much the same as those found in many districts. The Trustees and administration identify are as needing work or development and the teacher applies for those extended contracts related to the identified projects. The type of contract extension is controlled by the length of time the teacher has been employed in the district and the teacher's educational work (degrees and graduate hours completed).

Training grants are available to all teachers who have renewable contracts. They are available to pursue research, training, and sabbaticals for degree-oriented work. The applications are evaluated on the basis of: 1. professional benefits, 2. district benefits, 3. clarity of goals and objectives, 4. neatness of the application.

These are the three parts of the program.

The telephone interview gave depth to the information gleaned from the written material received from the district. First of all, the evaluation system has been in use for a short time. The addition of the career ladder to the evaluation system was not difficult since it was state initiated and since the teachers had an opportunity to participate in the development of the plan, which took at least two years. There are state funds available for the ladder.

There was a considerable amount of training provided for those who would be evaluating teachers. This training was done by persons in the districts and by experts from outside the district. Although there is support from the state level, that support was severely reduced or terminated in 1985-86, because of economic woes. However, this district plans to go ahead without the state funds. Their plan was one of about ten or 15 that had been approved by the state of Idaho.

In each of the interviews, the interviewee was asked what were the really positive aspects of their plan. In this case, it was indicated that the participation by the teachers' union was instrumental in plan development and implementation.

**School District of Clayton, Missouri.**

Quoting from the information received,

> This plan assumes that each teacher in the school District of Clayton proceeds through several stages of development during his or her career. This plan seeks to encourage personal growth and improved expertise at each stage by providing:
> a) a 20-step basic salary schedule with salaries ranging from $20,000 to $46,000, and opportunities to earn substantially larger amounts of money;
> b) a system of incentives and rewards available to each teacher at each stage of the career ladder;
> c) an evaluation system designed to promote continued growth personally and professionally.
>
> In essence the plan is based on a salary schedule with 17 steps. The schedule is quite ordinary in that it has the common two dimensions: length of service and education. The salary schedule does not provide for a teacher who does not obtain a master's degree by the ninth step. Also, there are provisions for extended pay opportunities beyond the 17th step based on career ladder activities.

The ladder has the following stages:

*Stage 1-Probationary.* 0-5 years in the district. The primary goal is to develop the basic skills of teaching. Tenure is the end goal. There are normal salary scale increments.

*Stage 2-Internship.* 5-7 years in the district. Attainment of a district perspective and completion of district service project(some district-wide project that serves to give the teacher a better understanding of the district's overall operation). Attainment of a master's degree in an appropriate area; 4 percent salary schedule increments.

*Stage 3-Career Teacher.* 6-8 years in the district. One may stay at this level through step 17. There are two options in this category: first, the career teacher; second, extended status. In either case the teacher is to meet the criteria for a Master teacher. If the extended status is chosen, then it is possible to go beyond the 17th step. The salary is then based on the 17th step plus an individually negotiated amount not to exceed $10,000. The duties for the extended portion for the contract may take many different forms, but, of course, directed toward the improvement of the professional elements of the district.

In each of the categories there are specific elements which are evaluated for progress toward the next step and stage.

The interview highlighted several points. First, this is being done almost entirely out of a reorganized local budget. No additional state money is being used. This seems to go against the commonly held belief that there must be additional moneys for a performance-based system to succeed.

Second, much time was spent on training the evaluators and this was done with help from the University of Missouri as well as the people in the district. Teachers have reacted well and are paying more attention to their relationships with students and there is much more talk about the career

path to be chosen. The options have made a difference. The interviewee was a full-time teacher who would be moving into a semi-administrative position this next year. There is some recognition on a non-monetary basis. One is a private parking space. There has been much made over this "perk." A survey showed the non-monetary rewards to be very important in this overall process.

Third, the idea of working toward a pay scheme beyond the 17th step has generated much enthusiasm. The general consensus is that this approach gives the teacher much more control over his/her career.

The only negative that could be pried from the interviewee was that there was a great deal of paper work and record keeping.

**Du Page School District 13, Illinois.**

This district has had a plan for compensating teachers on the basis of merit since the early 1970s. The plan has been updated and changed during those years but is still in active use. Only about 10 percent of the current teaching staff worked in the district before the early 1970s. Therefore, the majority of the teachers have worked exclusively with the performance-based plan.

The current plan utilizes a cooperative goal setting process to establish teacher goals for the current year and to give direction to the evaluation process for that year. In addition to those goals and as a source for the goal setting process there are five Evaluation Standards: 1. Productive Teaching Techniques, 2. Positive Interpersonal Relations, 3. Organized/Structured Classroom Management, 4. Intellectual Stimulation, and, 5. Out-of-Class Behavior.

The evaluation process is conducted according to the following routine:

I. Evaluation Cycle

A. Pre-Conference Phase

1. Explanation of total evaluation process.
2. Mutual goal setting between teacher and evaluator. including special descriptors and addendum.
3. Tenure teachers will discuss with evaluator whether observation will be formal or informal.

B. Observation Phase

1. Observation for tenure teachers will be conducted as determined during pre-conference.
2. Observation for non-tenure teacher will include at least one formal session.
3. The observation phase will consist of a minimum time of 30 minutes involving at least two different periods.

C. Post Conference Phase

1. Discuss evaluation findings to date.
2. Determine the future evaluation process.

II. Non-Tenure Timeline (minimums)

A. 1st quarter - complete one full evaluation cycle. (all three phases)
B. 2nd & 3rd quarter - complete a second full cycle.
C. 4th quarter - a final summary evaluation conference, at least one week prior to salary determination.

III. Tenure Timeline (minimums)

A. 1st quarter - pre-conference phase of the evaluation cycle will be

B. 2nd quarter - observation and post conference phase completed.
C. 3rd quarter - determined individually in post-conference phase.
D. 4th quarter - a final summary evaluation conference, at least one week prior to salary determination.

The products of this system are that teachers are involved in the goal setting and become aware of what will be the focus of the evaluation. In addition, the time spent by principals on the task of classroom observation and evaluation has increased. It is estimated by the district administrators that the principals now spend at least 50 percent of their time on this task.

If the goals are not met in the designated time frame, they may be "carried-over." They then become a part of the next year's expectations. In relation to this "carry-over," a lower salary increase may be a product of this deferment of goals to the next year. If a teacher does not receive a salary increase this becomes a flag for the administration to be alert to the unusual needs of this teacher.

The results of the telephone interview were not particularly encouraging in this case. The collective bargaining process has brought the performance-based system into question. One impact of the bargaining process has been the creation of a guarantee of $700 raise for each teacher. The standard practice up to this year (1985-86) has been that through the performance process a teacher could receive from $0 to $3,000 in raises per year. The funds which support this program are from the local budget and the guarantee will certainly erode the amount available for the performance plan.

Through the goal setting process, it has been observed that the better teachers are very receptive to asking for and receiving help. Also, the goals give significant impetus to the type of in-service that is provided. And, as an added feature, this process gives light to some non-professional needs of teachers. For example, some teachers wanted help in managing their diets and weight. While this was not a part of the in-service the district was able to get assistance for these teachers.

In the evaluation process, the formal and informal observations seem to be working well and there is an effort to insure that when there is an observation that the follow-up is conducted within two days. Pronounced problems can be reviewed more readily in that manner. Other than the possible problem with collective bargaining, this plan is functioning and with revisions has been doing so for several years.

**Orange County Public Schools, Virginia.**

The superintendent in this district has been involved in this plan since its inception and has been working on the development and implementation for ten years. The plan is very teacher oriented. The teacher may choose observation days as well as areas to be evaluated. Observers are restricted to those areas.

The observation system is based on 12 teaching practices: 1. Classroom Routines, 2. Essential Techniques of Instruction, 3. Provisions for Individual Learning, 4. Lesson Plans and Objectives for Learning, 5. Evaluation of Student Progress, 6. Critical Thinking and Problem Solving, 7. Teacher-Student Rapport, 8. Student Motivation, 9. Management of Student Behavior, 10. Student Participation in Learning Activities, 11. Reports and Routine Duties and, 12. School and Community Relations.

Because these 12 practices are not stated in terms which are readily observable, they are translated into the following 15 "Procedures for Effective Teaching": * 1. A model of courtesy is exhibited, 2. Positive associations are used with enthusiastic or humorous statements, 3. The teacher circulates among students inviting participation, * 4. The teacher mediates or redirects incorrect responses, 5. Students are asked to describe the learning objectives, * 6. Concrete examples are used to link learning objectives, 7. Guided practice with teacher shaped responses is used, 8. The teacher monitors student readiness to proceed to independent practice, 9. Student independent practice without grades is used to determine the success of instruction, * 10. Questioning techniques are used to assess fluency and

stimulate divergent thinking, 11. Transition strategies for group and class are established, * 12. Expectations of behavior and routines are explained, 13. The teacher anticipates student behaviors instead of reacting to them, 14. Non-verbal communication techniques are used to encourage appropriate behavior, and, * 15. The teacher makes a statement to the whole group then directs it to an individual.

Those Procedures for Effective Teaching which are preceded by an asterisk (*), are checked for frequency of occurrence only during the observation.

In the assessment process, a pre-conference, observation, and post-conference, the observers are trained to document those observed practices that are positive. The concept is that the teacher will grow most from building on strengths. Only when there are not sufficient strengths to build upon does the administrator approach the teacher with the intent of assessing on a summative basis.

While the general observations are made by peer-observers, the principal does all summative evaluations. The principal is expected to provide the instructional assistance needed as a result of the peer assessments.

The rewards for this program have been relatively small and as a result, the administration and board have made special efforts to produce rather elaborate recognition activities to identify the outstanding teachers. Banquets, news stories, and other special observations are used for these recognitions.

Through the interview, it was learned from the superintendent that this plan came about because of the need to bring teachers together. There was so much isolation that it became a goal of the administration and the teachers to develop a plan to overcome this negative element. The peer observation process was especially aimed at that target and it was developed by the teachers to serve that purpose. The administration is well satisfied with the result. The peer observers are trained by the district and are given released time to train and to conduct their assessments. According to the superintendent, it is a very workable system.

Although this effort started without any special funds, the state did contribute $50,000 to its current operation. While that does not satisfy the budget demands to provide the 235 teachers with proper rewards it is certainly helpful in its current success. The superintendent is very impressed with what the recognition banquets and publicity has done. He feels very strongly that it has created a far better climate in the schools and better support from the community.

**Rittman Exempt Village School, Ohio.**

The Rittman district has three plans for compensation. The first is the salary schedule negotiated with the association, the second is the Professional Growth Plan, and the third is the Superior Instruction Incentive. The last two of these plans are reviewed here.

The Professional Growth Plan provides the teacher with an opportunity to accumulate points toward an increase in salary on the salary schedule. The points are the product of activities of the teacher beyond the contractual duties outlined in the negotiated agreement. In other words, if a teacher takes a course which supports his/her teaching, but is not required for certification or required by the contract, it may be counted toward the Professional Growth Plan (PGP). These activities are presented by the teacher in a proposal and it is evaluated by the principal and then the superintendent; if both agree on essentially the same number of points to be awarded, it is sent to the board for approval. If the board approves, a predetermined amount per point is added to the salary for the following year. The increase is permanent. Only one PGP award may be attained each five years.

The Superior Instruction Incentive is in essence a part of the Professional Growth Plan. A maximum of eight points, of the 15 required for an increase in salary, may be earned through instructional evaluation. A teacher who wishes to present his/her teaching evaluations for review may do so. The evaluations are reviewed as the other activities are and assigned

points which, if approved by the board, are applied toward the PGP points. Therefore, more than half of the total points required for an increase may be earned through superior instruction.

The interview with the superintendent revealed that the bargaining unit had had a significant hand in the development of this plan, and further indicated, that it could not have been successful without that help and input. The current situation in Ohio is such that there will be difficulty keeping the program going because of cut-backs from the state level. While only local funds were supporting this program, it is obvious that if the state is not expanding or is decreasing its support, local funds will be impacted significantly. The chief administrator was concerned about the program's future.

One of the efforts to insure fair application of the policies surrounding this plan was a glossary defining the critical terms in the evaluation process so that the variation in interpretation would be reduced. For example, "superior teaching" was defined in very specific operational terms. While the district did not send a copy of the glossary, the description by the superintendent indicated that this kind of district document has been beneficial. For this plan the principal is the evaluator of instruction and is a part of the process of assigning points for the Professional Growth Plan.

Lastly, the district offers an attendance incentive plan. This is in addition to and separate from the other plans. In this instance, the teacher who does not use the two personal leave days for that year, is given $75 for each of the two days. If the teacher elects to use that money for classroom enhancement materials, the district doubles the amount. (It was not entirely clear what two days, but appeared to be personal leave days.) There was much pride exuded for this plan, but it did seem that it had been a difficult job to bring it about, even with teacher and community support. The superintendent also felt very strongly that there needed to be strong in-house training and support for all the elements of this plan for the plan to be successful.

**Round Valley Unified School District, California.**

To reward the highest levels of performance, this district budgeted $2,000 per teacher to support this plan. The awards are for performance which exceeds what is normally expected.

The plan has three basic components:

The first component, *Individual Achievement*, has a potential value of 3.5 merit points. A sliding scale was used to determine the number of points to be awarded, based upon the teacher's evaluation. The full 3.5 points were awarded for an evaluation of "10" and evaluations less than "5" received no points.

The second component, a *Group Achievement Section*, set forth a means whereby faculty groups and "grade level clusters" could be compensated for efforts made toward meeting the District's educational objectives, developing innovative programs in the various areas of study, and upgrading curricula. This component had a potential value of 2.5 points.

The third part of the plan was a *Creative Section*, seen as a means of providing incentive for teachers to go beyond what is normally expected of them, rewarding them for extraordinary efforts made toward the achievement of the district's educational goals. It also encouraged the provision of enrichment activities, as a secondary priority. This component had a potential value of 4.0 points.

For both the Group Achievement and the Creative Sections, the process provided for the teacher to submit a plan for that particular section and the Merit Committee (two board members, the site principal, and a teacher) would review for approval and assign a potential point value. When the proposed plan was completed the same committee evaluated the results and assigned the actual points. Each point, at the time that the original plan was developed, was worth $200 and a maximum of ten points for each

year. The average award for the first year was $1,657 in 1982-83. The following year the average award was $1,996.

Some of the corrections that have already been instituted are: more attention to deadlines in reviewing individual and group proposals, upgrading the basic instructional evaluation system, and striving for more consistency in evaluating the proposals and products, as well as revising the basic salary schedule. In the last case, the original plan called for the schedule to be about $1,000 below other salary scales for the area. The assumption was that the merit plan provided for the teacher to be able to make up the difference and more, if they chose. The general consensus was that the schedule should be competitive and the merit plan present opportunities beyond the schedule. That change has been made and is now in operation.

Not much detail was provided on the instructional evaluation system but it is the responsibility of the site principal. There is some help provided by a peer committee, but this relates mainly to the individual and group proposals as previously mentioned.

Through the interview it was learned that the board asked for and got this plan. The superintendent at the time did not support this type of compensation plan. The new superintendent does actively support the plan and pushes it actively. The teachers do support it in its present form, but with some reluctance. The present superintendent does not look to teacher support, rather looks at the plan as a fact of life for both the teachers and the administration.

The evaluation system has been the subject of negotiation and has been refined with training and definition so that there is better understanding now. At present, the evaluation is done "by the numbers." In fact, when the evaluation is completed, the result must be expressed in quantitative form. The administrators have found this very difficult.

One comment of the superintendent was that there was a danger of overloading the most effective teachers. That is, they are excellent teachers so why not ask them to take on other duties, such as helping other teachers, which in turn overloads them and they become ineffective in their own classrooms. This superintendent revealed a strong defense of the plan which was inherited from another administrator. A strong dedication to make it work was evident also.

**State of Tennessee Career Ladder Plan.**

This plan consists of five steps on a career ladder. The steps are: 1. Probationary, 2. Apprentice, 3. Career Level I, 4. Career Level II, and, 5. Career Level III.

The program is based on the skills and competencies necessary for quality classroom performance. The domains of competency were developed from the research and information from Tennessee teachers when surveyed in connection with the development of this plan. For each domain of competence, there are also indicators. Indicators are those specifics examined during an evaluation to determine if that domain is being exhibited in the teaching practice. For example, as the orientation manual puts it,

> ...in measuring Teaching Strategies, the evaluation assesses how a teacher presents subject matter and whether he/she reteaches when necessary. The specific sections within the broad competencies are referred to as "indicators."

There are six domains: 1. Planning, 2. Teaching Strategies, 3. Evaluation of Student Progress, 4. Classroom Management, 5. Professional Leadership, and, 6. Basic Communication Skills.

For each domain there are at least three indicators and for each indicator there are illustrative statements to clarify the indicators.

A rather complicated system of evaluation is used, along with a series of standardized instruments, to determine the qualifications of teachers to

attain particular steps on the ladder. Sources of information used to determine a teacher's status are:

*Teacher:* The teacher supplies required information at each step of the process. Lesson plans, course materials, professional activities, are examples of the type of information.

*Evaluators:* The results of the pre-conference, observation, and post-conference activities are used. The evaluators are both local and state personnel.

*Teacher's Principal:* Beyond the evaluation information, the principal supplies information related to the teacher's role in the school. The principal also is required to respond to a questionnaire about the particular teacher in question.

*Three peer teachers:* The information solicited from peer teachers is related to the leadership role that the teacher assumes in the improvement of teaching.

*Teacher's Students:* Through the student questionnaire, information is sought relating to teaching strategies, preparation, evaluation, and classroom management.

The evaluation team appointed by a certification official from the state department consists of three teachers, who have been trained as evaluators. The teacher to be evaluated may waive one of the teachers upon receiving the list and another teacher is appointed. These teachers are usually from the region but not from the teacher's district. Each evaluator makes one visit after which they come together to assign a composite evaluation. This evaluation along with the several sources of information already described and the scores on the tests make up the information used to decide the level to which the teacher will be assigned.

The type of tests that the teacher must take and pass are: Reading Skills, 52 multiple choice items, 70 percent passing score; Writing Skills, writing assignment, Pass/fail scoring; Professional Skills Test, 4 multiple choice subtests, 25 items per subtest, no passing score (used as a weight in the total evaluation)

Obviously this is not an exhaustive description but does point out the basics. The timetables for tests and classroom visits are well documented in the manual provided from the Tennessee department of Education.

In order that some view of the plan be gained on the operational level, the investigator took advantage of personal contacts in the State of Tennessee. The following comments resulted from interviews with a state department official, a manager of the plan at the local level and a principal of a high school. The local district was the Chattanooga Public Schools.

There are apparently several things which should be shared to bring this plan into focus. It is voluntary on a state basis, but several local districts are adopting the evaluation procedure for their own use. Therefore, the process is mandatory in some districts, but the teacher does not have to participate in the state career ladder plan.

Most teachers are participating in the first level, since it is so easy to attain, but thereafter the steps are more difficult. Also, since there is a time limit on how often one can move up, some of the older teachers are ignoring the system. The value of the system can be measured only over a longer time frame.

One comment of the principal interviewed seems revealing of the need for the system. The principal said that at least now he could go into the classroom to evaluate the teacher. In fact, he was being forced into the classroom. In the past the principal had not felt free to visit the classrooms of any but the beginning teacher. The principal did feel that the whole process of development and implementation had focused the teacher's attention to the business of teaching and the elements of effective teaching.

Most of the comments made by the district manager of the plan were positive but the amount of paper work and the difficulties of the logistical processes were mentioned. Other than that the system is functioning and, although with problems, seems to be doing so with success.

The plan is state-financed, state-supported and state-managed with local administration in relation to the number of teachers participating.

**Watonga, Kingfisher, Seiling Master Teacher Program, Oklahoma**

This is a master teacher program with some very unique elements. First, the most unusual feature is the involvement of teachers from other districts in the evaluation process. The evaluation team which scrutinizes the work of the teacher in question is made up of teachers from the other two districts. This cooperative arrangement gives this plan a uniqueness not found in any of the 75 plans reviewed.

Another element is the role played by testing of the youngsters to determine their growth in subject areas. This growth is a determining factor in the attainment of Master Teacher status for a particular teacher.

Criteria for attainment of the master teacher status are: 1. Certified, full-time employee, teaching at least three hours per day, certified; 2. Tenured by the district; 3. Have seven years full-time teaching experience; 4. Have at least a Master's degree; 5. Passed the NTE Core Battery Of Tests (minimums established by the district); 6. Be willing to assume extra responsibilities as a Master Teacher, including two weeks extended contract; 7. Demonstrate outstanding oral and written communication skills, and, 8. Demonstrate outstanding teaching performance and exceptional classroom practice. This is to be documented by: A. At least above-average student growth on achievement tests and other measures as approved by the district committee; B. Self-evaluation including philosophy, methods, and achievements in the area of teaching; C. Principal evaluation; D. Submission of relevant materials including sample lesson plans, classroom rules, procedures; E. Interview with the selection committee (made up of members from other districts); F. Selection committee's interview with the teacher's principal; G. Completion of a questionnaire by three of the teachers peers and three patrons, both groups to have been selected by the teacher in question; H. Classroom observation by the outside evaluators; I. Participation in professional activities and organizations, and, J. Participation in community and civic affairs.

This is a brief review of this plan but what is provided shows the two elements that are important for the purposes of this study. That is, the use of output factors from student achievement and the use of outside evaluators, from two neighboring districts.

The telephone interview with Gerald Daughtery, Superintendent of Schools at Seiling, Oklahoma, provided insight into the workings of the plan for the first year. The superintendent was pleased with the start of the plan and felt that the teachers were responsive to the rewards system. The plan was off to a reasonably good start.

This was a pilot program and had some particular objectives. The focus on effective teaching was one of those objectives and it was successful according to the superintendent. The teachers were much more cognizant of the effective teaching practices because of the emphasis being developed by the evaluators, administrators and fellow teachers. Mr. Daugherty felt that one of the most important benefit was that this approach and the emphasis on effective teaching was most helpful to the mediocre teacher.

Because this was a three-district consortia, the evaluation system was unique, but the teachers were receiving the system well. However, the Kingfisher district has dropped out before the full plan could be instituted and left the two districts, Seiling and Watonga, to go on. They will institute the plan if possible, but because of the state's difficult financial straits, the plan is in some doubt for the coming year (1986-87).

With these difficulties, the district may turn to a scheme which involves just the Seiling district. In fact, there was suggestion that the outside evaluators presented some logistical problems which may be too difficult to overcome even if the plan continues.

## *Exemplary Districts: Summary*

In reviewing these ten compensation plans and discussing the plans with persons in the districts, certain provisions of the plans stand out. To summarize this section, these provisions will be reviewed.

These plans are relatively new and untested. Few have been in operation more than two or three years. Certain districts had long planning periods and have just begun implementation of pilot programs. Some are having difficulty and may not survive. Others are having success and seem to be filling the needs of the districts.

The majority of the programs utilize input factors to determine entry to, and in large measure, success in the performance-based programs. That is, they are depending on the teaching as measured by the evaluation system (basically evaluating technique rather than results), service to the profession and community, and other elements related to teaching in general. Tennessee does use output factors along with input factors to determine advancement on the career ladder. Bibb County, Georgia uses output factors as the only measure to determine the degree of compensation.

The type of plan used most frequently is the career ladder and/or the Master Teacher plan. The two can be very similar. Master Teacher, if not in name, certainly in concept is the final rung on the career ladder. Whether career ladder or master teacher, the plans devise some means to motivate the teacher to continue professional development. The reward system is geared to that end.

The evaluation processes are generally built around the classroom visit with pre- and post-visit conferences. There is some variation as to who does the evaluation. In most cases the principal plays a role. But there are also some provisions for peer review from both within the district and from external evaluators (Tennessee and Seiling, Oklahoma). One plan, Orange County Virginia, does use peer evaluators but they are restricted to observing for certain techniques, and they also are restricted to comment on the positive use of that technique. No negative observations are allowed.

These districts all build from a basic salary schedule. None of the districts used only performance to determine salary. The performance element was added to the regular salary schedule.

The most outstanding realization from the study of these ten plans, as well as the others, was that the focus of the plans was on effective teaching practices. However, those practices were defined, the emphasis was focused there.

# V. CONCLUSIONS

*Developing a Performance-Based Compensation Model: Potential for Success.*

One of the prime considerations in approaching this study was the question of whether or not performance-based compensation is applicable to the schools of Iowa. The answer to that question is simple in concept but complex in practice.

For the school board, administration, professional staff and community that want a performance-based plan, it is possible. That conclusion is drawn from the fact that other districts across the country have developed and implemented such plans. In fact, although they were not reviewed in this study, districts in Iowa already have performance-based plans. It is possible.

Another question to be addressed is whether or not this avenue is worth the effort. No evidence was found that would indicate a strong relationship between performance-based compensation plans and increased output on the part of the students. There was strong support on the part of superintendents and principals that these plans developed an improved focus on the effective teaching practices sought by all professional teachers. Even when those practices were defined in unique ways and not necessarily in congruence with what the research indicates, a clearer understanding was achieved between and among the administration and teachers however the practices were defined.

In fact, criteria for effective teaching practices should be as specific and as concrete as possible so that participants know not only what behaviors they must display or tasks they must complete in order to be compensated, but also the quality of the behavior or task which is acceptable in order to be compensated. On the other hand, a "creative factor" should be built into the criteria to allow for individuality.

Leadership and commitment appear to be the dominant factors in determining the feasibility of performance-based plan development. Such commitment must be broad and pervasive. This study did not look at those districts that had failed in implementing merit pay or districts which decided not to try, and in that context, a biased result is obvious. There is evidence that the development process is difficult and requires the aforementioned commitment.

To achieve the needed commitment, all affected parties must participate in developing the plan. This appears to be an absolute necessity for any degree of success to be attained. This theme was repeated again and again. Teachers must be supportive and accepting of any effort in this vein. Without the professional staff support, such a plan is destined for a beleaguered existence. Future program participants should be a mandatory part of the planning stage. The planning period should not be a hurried or harried affair. Sufficient time should be allowed so that the territory which is merit pay can be explored: other plans should be read, research should be perused, individuals in districts using performance-based compensation plans should be interviewed. No basic design should be adopted simply because it worked well for another district. In laying the ground work, objectives and plans of the school district as well as special factors/situations in the district must be considered. The "right" plan to adopt is that one which most closely fits the needs of the district.

In this context, it would appear that, especially for Iowa with such an emphasis on local control, a state plan is not the answer. Rather, the state might play a significant role in providing the necessary funds and, at most, suggesting/delineating guidelines around which a compensation plan

might be developed. The role of the state might better be that of provider of information and assistance in studying the issue. But the basic decision on performance-based compensation plans should be left to the district. There, and only there, can the uniqueness be incorporated into a plan which would be uniquely that district's. There is strong evidence that fitting the plan to the district is a prerequisite to success.

The financial rewards for the participants in the districts studied appears to be significant. This follows the long stated adage that, " . . . the reward must be large enough to matter or the plan is doomed." One or two districts studied violated this notion yet appeared to be making a go of their programs. In each case there were nonfinancial rewards around which there was a high degree of interest. Although it would be questionable to start a program with only nonfinancial rewards, they should not be overlooked in the larger scheme. A written account of the plan should be available to each participant; likewise, frequent updates should occur. Participants should be kept abreast of changes via meetings and continuing update, in writing, of the original document.

Programs should be responsive and dynamic. That is, participants should feel their input is welcomed and that the input will result in program improvements. A formal review of the plan should be conducted at least annually.

Lastly, it should be mentioned that the investigators perceived that there are other concomitant gains that might be realized through the successful implementation of a performance-based compensation program.

One of those gains might be the encouragement of a more professional role for principals and teachers. (The focus of most performance-based programs is improvement of instruction.) As the definition for superior instruction would become accepted it certainly would give credence to teaching as a function which makes important decisions about youngsters and would require a more professional role.

The second concomitant gain might be the institutionalization of a more individualized evaluation-oriented compensation system. This could make room for more innovative methods of assigning and utilizing particular teaching skills.

Although we may have had some difficulty with the process of collective bargaining at its inception, it is now institutionalized and a part of what we do. Institutionalization of a performance-based compensation program would be an equally significant departure from our present system and such a departure might well open the way for other alternatives in approaches to the teaching of children

### *Basic Success Elements*

Another of the primary considerations in approaching this study was the question of what were the basic elements to be considered to insure success for a performance-based compensation program. The study does not lend light to that question specifically. However, the investigation does identify nine elements which must be addressed before any success might be expected. These elements are gleaned from the literature and the plans reviewed. They are:

1. Planning
2. Organization
3. Participation
4. Evaluators
5. Evaluation Process
6. Incentive Plans—Financial
7. Incentive Plans—Nonfinancial
8. Financial Resources
9. Plan Monitoring/Revisions

As one can readily see these elements became, for this study, the criteria against which all plans were measured. School districts had to make decisions in each of these basic areas before some structure could begin to take shape. The plans which were most closely examined were selected because they had been developed by utilizing these elements as guides. Through the literature and this study, it became increasingly clear that as

a guide these elements would provide significant help.

These elements are treated very thoroughly in the review of literature.

In summary, this study has shown that there are many school districts applying the principles of performance-based compensation plans. Most of these plans are very new and some will or have failed. But many have and will continue to succeed. In that success there will be other rewards that will probably have a significant impact on all elements of our educational endeavor.

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